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Mondale Wins Iowa Caucuses; Glenn Is Fifth of 8 Democrats

By Howell Raines
New York Times Service

DES MOINES — Former Vice President Walter F. Mondale won a commanding victory in the Iowa Democratic caucuses Monday, and Senator John Glenn of Ohio, running far back in the eight-candidate field, suffered a defeat that threatened to seriously damage his presidential candidacy.

Senator Gary Hart of Colorado came in second, and George S. McGovern, the former senator from South Dakota who was the Democratic presidential nominee in 1972, was third.

Senator Alan Cranston of California trailed them, falling short of his announced goal of an undisputed third-place finish, and Mr. Glenn was fifth in the field. Both Mr. Cranston and Mr. Glenn placed behind votes for uncommitted delegates.

Trailing the field were former Governor Reubin Askew of Florida, the Rev. Jesse L. Jackson and Senator Ernest F. Hollings of South Carolina. Neither Mr. Jackson nor Mr. Hollings campaigned actively in Iowa.

Although the results were not complete, it appeared that about 84,000 Democrats had turned out for the caucuses.

According to Democratic Party figures, quoted by The Associated Press, with 94 percent of the 2,495 precincts reporting, the percentages were:

Mr. Mondale — 48.9 percent
Mr. Hart — 16.4 percent
Mr. McGovern — 10.2 percent
Uncommitted — 9.3 percent
Mr. Cranston — 7.4 percent
Mr. Glenn — 3.4 percent
Mr. Askew — 2.4 percent
Mr. Jackson — 1.5 percent
Mr. Hollings — 0.4 percent
Others — 0.2 percent

Glenn must revitalize his campaign in time for three Southern primaries in March. Page 3.

The race for second and third places was watched closely because of strategists' predictions that only those candidates would have a chance of catching Mr. Mondale in this year's campaign.

But even in a state where voters like to shake up campaign rankings, no one had predicted the poor showing of the man expected to be Mr. Mondale's main opponent. Mr. Glenn's strategy of depending on his personal celebrity as an astronaut rather than grass-roots organization appeared to put him at an insurmountable disadvantage.

Mr. Mondale, on the other hand, depended on a big, disciplined organization that sent out an estimated 1,000 door-to-door canvassers Monday.

Polling by CBS News of voters leaving the caucuses indicated a widespread rejection of Mr. Glenn's central theme: that he was the Democrat most likely to defeat President Ronald Reagan in the fall. The pollsters found that three-fourths of those voting for Mr. Mondale did so because they regarded him as the party's strongest opponent to Mr. Reagan.

At his hotel in Des Moines on Monday night, Mr. Mondale said the vote represented "a great victory, perhaps a spectacular victory" that rested on the same appeals he will use in the next test of his campaign, the New Hampshire primary on Feb. 28.

Mr. Mondale said the results indicated that voters "want a more civilized dialogue" among Democrats. He was condemning speeches and television commercials in which his opponents have questioned his leadership ability and his independence from labor and other groups that have endorsed him.

"It's my impression that there has been a negative reaction against these charges," Mr. Mondale said.

Iowa has an outsize influence in the Democratic nominating process. Since 1972, when Mr. McGovern started his roll to the nomination by finishing a stronger-than-expected second, Iowa's caucuses have been watched as trend-setting events almost equal in importance to the New Hampshire primary.

Those attending Monday's Democratic caucuses were electing delegates to county conventions, who in turn will select delegates to the May 5 congressional district conventions and the June 9 state convention. At the end of that process, Iowa's national convention delegation, which will account for 58 of the 3,933 delegates in San Francisco, will have been chosen.

Mr. Hart, Mr. Glenn and Mr.

(Continued on Page 3, Col. 1)

United Press International

Former Vice President Walter F. Mondale and his wife, Joan, celebrate victory in Iowa.

Israeli Army Makes a Foray South of Beirut

Compiled by Our Staff From Dispatches

BEIRUT — Israeli troops advanced to within 20 kilometers (12 miles) of Beirut on Tuesday as U.S. marines said they had received final orders to withdraw to ships off the Lebanese coast.

Witnesses said a column of 36 Israeli tanks, armored personnel carriers and trucks took up positions for more than six hours north of their lines along the Awali River but later withdrew.

They said the troops had first appeared to be establishing fixed positions, but a spokesman at Israeli military headquarters in southern Lebanon said their presence there was temporary.

Prime Minister Yitzhak Shamir, speaking at a news conference in Brussels, described the operation as a patrol excursion and said Israel had no intention of moving its front line north of the Awali or of returning to Beirut.

Mr. Shamir said Israel hoped that, eventually, a locally recruited Lebanese force might be able to replace Israeli troops occupying southern Lebanon and secure Israel's northern border.

In Tel Aviv, Defense Minister Moshe Arens told a closed meeting of politicians from the ruling Likud bloc that army patrols had probed 12 kilometers north of the Awali in search of Palestinian guerrillas, Israeli Army radio reported.

Mr. Arens reportedly described the operation as the biggest of 30 patrols since Israeli forces in Lebanon pulled out of the Chuf mountains and redeployed along the Awali near Sidon last September.

Interviewed on Israel Radio, Mr. Arens said that the air strikes and the patrols were not meant to support the beleaguered government of President Amin Gemayel but rather were aimed at defending the security of Israeli soldiers in Lebanon and of Israeli territory near the Lebanese border.

"We are not allies of Gemayel," Mr. Arens said. "Lebanon doesn't even have diplomatic relations with Israel. We are defending our interests, and we must protect, to the best of our ability, the lives of our soldiers. At least until now, the operations of the air force and the land forces north of the Awali have proven effective."

The Israelis were seen manning positions at the southern entrance of the town of Damour, 20 kilometers south of Beirut, the farthest north they have been sighted since they withdrew to the Awali.

The column then split up to take positions at Damour and two other points a few kilometers farther south, witnesses said.

Later, dozens of Israeli vehicles were seen pulling back to the Awali.

At the U.S. Marine base at Beirut International Airport, an army spokesman, Colonel Ed McDonald, said the 1,300 remaining marines had received orders "to reembark aboard ship." He said the operation would take place over the next few days.

Gemayel appears to be nearing the end of his political career. Page 2.

President Ronald Reagan announced on Feb. 7 that the marines would be withdrawn, except for a small force that would remain to guard U.S. facilities and to train the Lebanese Army. He made the decision as the U.S.-backed government and army of Mr. Gemayel crumbled under a series of political and military defeats by Moslem forces.

In the past two weeks, Israeli armored columns have regularly come north of the Awali crossing point in southern Lebanon. Israeli planes have bombed targets near Beirut twice in three days.

Israeli military officials say the purpose is to stop Palestinian guerrillas from moving south through Druze lines to Israeli positions and to demonstrate to Druze forces that Israel expects them to keep the guerrillas out.

Israeli planes bombed targets in the mountains within sight of Beirut on Tuesday.

They bombed villages on a ridge east of the capital in an area around the mountain town of Bhamdoun, which Israeli planes also hit on Sunday.

Syrian-backed Druze militias are the main force in the area, but pro-Syrian Palestinian guerrilla groups also maintain a small presence there, and Syrian troops are stationed a few kilometers to the east.

Ten Israeli planes took part in the attack, according to radio reports, and an Israeli spokesman said they all returned to base after hitting "terrorist targets."

Opposition sources in Beirut said, meanwhile, that Syria appeared to be in favor of Moslem demands for Mr. Gemayel's resignation, although Damascus has not called for his removal.

The sources said Syria's sole public condition for backing a settlement in Lebanon was outright cancellation of last May's troop withdrawal agreement between Lebanon and Israel.

This was relayed to Mr. Gemayel on Monday by the Saudi mediator, Rafiq Hariri, after talks in Damascus between Syrian officials and Lebanese opposition leaders, the sources said.

The sources added that Saudi Arabia had proposed a new four-point initiative involving:

- Appointment of a new prime minister.
- Public abrogation of the Lebanese-Israeli agreement by Mr. Gemayel and the prime minister-designate.
- Resumption of a national reconciliation conference at Geneva to discuss political reforms.
- Subsequent formation of a cabinet by the new prime minister.

(Reuters, NYT)

Russia Makes Concession In Chemical Arms Talks

Reuters

GENEVA — The Soviet Union, in its first major arms control statement under the leadership of Konstantin U. Chernenko, made Tuesday what Western experts said was a significant concession in negotiations to outlaw chemical weapons.

Viktor L. Issraelyan, the chief Soviet negotiator at the Geneva Disarmament Conference, announced that Moscow would agree to the principle of permanent on-site verification of the destruction of chemical weapons by international inspectors.

The question of verification has been the main block to a chemical weapons treaty, under discussion by the conference since 1978.

Moscow believes occasional verification is sufficient, Mr. Issraelyan said, but it had decided to accept the principle of permanent verification to "unravel one of the most complicated and major tangles in the negotiations."

Later, Louis G. Fields Jr., the U.S. delegate, said Washington welcomed the statement. He said, however, that "while this appears to represent a breakthrough in one facet of the chemical warfare negotiations, there remain many equally difficult outstanding issues to be resolved."

Another Western delegate, who asked not to be named, said, "The Soviet change on permanent verification is significant, but we will not know how significant until we get down to substantive negotiations."

■ Soviet Use of Chemicals

The U.S. State Department told the United Nations Tuesday that Soviet use of chemical weapons in Afghanistan dropped sharply last year as had the use of Soviet-supplied chemical weapons in Cambodia and Laos, The Associated Press reported from Washington.

In previous years, the administration had charged that more than 10,000 people were killed by chemical weapons in the three nations, where resistance fighters are opposing Communist governments.

The State Department report noted that the United States was unable to confirm a single Soviet chemical weapons attack last year in Afghanistan.

Editor Says '82 Invasion of Lebanon Thwarted PLO Recognition of Israel

By David K. Shipler
New York Times Service

JERUSALEM — An Israeli editor and leftist politician, Uri Avnery, said Tuesday that before Israeli invaded Lebanon, the Palestine Liberation Organization had negotiated with the United States a statement recognizing Israel and had scheduled it for release in Paris on June 14, 1982.

The Israeli invasion took place June 6, provoking the PLO to cancel the announcement, Mr. Avnery said in a telephone interview.

He said that the information had come to him from the late Dr. Issam Sartawi, the PLO's roving ambassador. Dr. Sartawi, an outspoken moderate, was assassinated in April 1983 at a meeting of the Socialist International in Portugal.

According to Dr. Sartawi's account as reported by Mr. Avnery, the negotiations between the PLO and the United States were conducted through Tunisia, apparently paralleling contacts at the same time through John Edwin Mroz, a specialist in Middle East affairs.

Mr. Avnery is a former member of the Knesset, Israel's parliament, and editor of Haolam Hazeh, a leftist magazine. He has frequently met with PLO officials.

One of those meetings, in England, was the genesis of the Mroz and Sartawi initiatives, he said.

Since 1975, U.S. policy has been based on a pledge to Israel that Washington would not recognize or negotiate with the Palestinian organization until it acknowledged Israel's right to exist and accepted relevant United Nations resolutions. Dr. Sartawi's effort, Mr. Avnery said, was to get the PLO to satisfy the American condition.

"By the end of 1981," Mr. Avnery said, Dr. Sartawi "got the green light from Yasser Arafat to try to get American-PLO negotiations started. He had conversations with Bruno Kreisky in Vienna, with officials of the British Foreign Office in London, the Elysée Palace in Paris and the European Economic Community in Brussels, and he decided that the best intermediary would be Tunisia."

Mr. Arafat is chairman of the PLO and Mr. Kreisky was then chancellor of Austria. According to Mr. Avnery, Dr. Sartawi met with President Habib Bourguiba of Tunisia, who sent Prime Minister Mohammed Mzali to Washington.

"I'm not sure whom he met in Washington," Mr. Avnery said.

"I believe it was Haig," he said, referring to Alexander M. Haig Jr., then secretary of state, "but I'm not certain. He talked with people there and came back to Tunis and said he had a positive response."

Then, he added, over the next months "there was an exchange of messages to prepare the statement that the PLO was supposed to give. The PLO wanted to be sure that the text of the declaration would be acceptable to the Americans, wanted the Americans to commit themselves in advance that the text would satisfy the demands."

Eight days before Mr. Sartawi was to read the PLO statement, Mr. Avenry said, the Israeli Army invaded Lebanon and "Issam Sartawi said he was sure he was double-crossed by Alexander Haig."

Road Tie-Ups Spreading in West Europe

Compiled by Our Staff From Dispatches

PARIS — Striking French truck drivers blocked roads around Paris Tuesday while the traffic jams that have gripped France for a week spread to border areas of Italy, Switzerland and Austria as Italian customs officials resumed their own slowdown.

In France, as government-union talks began, truckers blocked roads between Charles de Gaulle Airport at Roissy, Paris's chief international air terminal, and the capital, causing crowds of flight passengers to jam the suburban rail link.

In the Alps, more than 500 trucks lined up near Courmayeur, the Italian resort at the mouth of the Mont Blanc tunnel. Swiss police said more than 1,000 trucks were blocked on both sides of the border at Chiasso, the main crossing point for north-south traffic passing through Switzerland.

At the Brenner Pass, the busiest road link connecting Italy, Austria and West Germany, hundreds of trucks were stopped on the first day of a three-day slowdown by Italian customs officials.

In Dublin, Irish truckers, protesting the chaos on French highways, parked eight tractor-trailer rigs on the road President François Mitterrand of France was to use after talks with Irish officials Tuesday. Mr. Mitterrand's motorcade took a detour to avoid the blockade.

Meanwhile, French coal miners, protesting planned job cuts, decided to hold a national demonstration in Paris on March 2. On Tuesday, they ended a strike that shut down the majority of French mines for two days.

In Paris, Transport Minister Charles Fiterman and the two associations that represent most of France's 32,000 independent truckers opened negotiations on how to end the blockades, which started Thursday. Later Tuesday, the government said it would immediately ease border-crossing procedures for truckers and organize more talks.

Mr. Fiterman said the government proposed to set up permanent links with the Italian authorities to prevent future traffic delays at border crossings in the Alps. He also said 8 million francs (about $1 million) would be made available to

(Continued on Page 2, Col. 5)

United Press International

Foreign Minister R.F. Botha, left, making the first South African ministerial visit since Mozambique's independence in 1975, met President Samora Machel Monday in Maputo.

Security Accord Is a First for Pretoria

Maputo Pact Seen as Recognizing S. African Legitimacy

By Glenn Frankel
Washington Post Service

CAPE TOWN — White-ruled South Africa, long considered a political untouchable by the rest of the continent, is about to achieve what a few months ago was widely held to be impossible: a formal security agreement with one of its black-ruled Marxist neighbors.

The South African foreign minister, R.F. Botha, returned from Maputo late Monday after eight hours of talks with Mozambican officials with a commitment that the two nations would sign a nonaggression pact as soon as possible.

His visit touched off speculation here that President Samora Machel of Mozambique, who met with Mr. Botha and two other senior South African cabinet ministers for 90 minutes Monday, would hold a summit meeting within the next few weeks with Prime Minister Pieter W. Botha of South Africa to sign a formal security agreement.

While details of the pact have not been worked out, Foreign Minister Botha said Monday night that the "two governments will not allow any form of subversion against each other."

For Pretoria, that means obtaining guarantees from Mozambique that it will not allow its territory to

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be used as a launching pad for attacks inside South Africa by the African National Congress, the main black nationalist movement dedicated to overthrowing white rule.

For Maputo, it means a South African pledge not to support the Mozambique rebel group, the Mozambique National Resistance, whose insurgents are pursuing a campaign of economic sabotage and violence that has exacerbated the country's desperately serious economic problems.

But implicit in the pact is something possibly even more important for South Africa — a recognition of its legitimacy that it long has sought but never received from any politically significant, independent black state.

A similar recognition is implicit in Angola's agreement last week to form a joint committee with South Africa to monitor the cease-fire now in effect along the Angolan border with the South African-controlled territory of South-West Africa, also known as Namibia.

But political analysts say a formal nonaggression pact goes several steps further, effectively committing Mozambique to helping defend South Africa's borders by blocking guerrilla attacks.

"It gives the seal of approval for the South African government," said Michael Spicer of the South Africa Institute of International Affairs in Johannesburg. "It could prove quite costly in political terms for the Mozambicans."

South Africa's right to exist as a state dominated by a white minority has never been recognized by the Organization of African Unity, of which Mozambique is a prominent member. Mozambican diplo-

(Continued on Page 2, Col. 1)

East Germany Becomes Advocate of Détente

By William Drozdiak
Washington Post Service

BERLIN — East Germany, long considered an obedient supporter of hard-line diplomacy as dictated by Moscow, is now emerging as one of the East bloc's strongest advocates of détente and cooperation with the West.

Spurred by public discontent with the economy and anxiety about nuclear weapons, the Communist government of Erich Honecker is courting fresh trade and financial deals with Western countries and urging early progress toward arms control in ways that no longer suggest a complete identity of views with the Soviet Union.

Western diplomats noted that Mr. Honecker was "clearly uncomfortable" with the Soviet decision last November to withdraw from Geneva negotiations on medium-range nuclear missiles in Europe and the subsequent deployment of new Soviet-built nuclear weapons on East German soil.

The possibility that such dismay in East Germany and other Warsaw Pact countries might be exploited to coax the Soviet Union back to the Geneva arms talks is believed to figure highly in the visit to Berlin this week by the U.S. assistant secretary of state for European affairs, Richard R. Burt.

Mr. Burt, who will later visit Bulgaria and Hungary, will be holding the first substantive foreign policy discussions in East Germany by a senior administration official. Other U.S. delegations have covered trade and agriculture issues.

Mr. Burt met Tuesday with Hermann Axen, the East German Politburo member responsible for international affairs, and said he had told him of President Ronald Reagan's firm desire to achieve meaningful and verifiable arms reductions for improved East-West relations.

Mr. Burt said he had also told Mr. Axen that the United States was ready at any time to resume both the medium-range and state-

(Continued on Page 2, Col. 4)

INSIDE

Mikhail Sholokhov, Disputed Author Of Soviet Epic Novel, Is Dead at 78

Reuters

MOSCOW — Mikhail Sholokhov, 78, the Nobel prize-winning Soviet writer whose later years were clouded by accusations of plagiarism over his epic novel "And Quiet Flows the Don," died Monday night, a spokeswoman for the Soviet Writers' Union said Tuesday.

She said the author died at his home in the village of Veshenskaya in the southern region of Rostov, but she refused to give details of the cause of death.

Mr. Sholokhov, a staunch supporter of the Soviet system from the 1920s through Stalinism to the present day, was upheld by the Kremlin establishment as the country's leading writer and had received seven Orders of Lenin. He bitterly condemned the dissidents of the 1970s, once implying that in the 1920s they would have been shot, and he flung crude insults at writers such as Alexander Solzhenitsyn.

Mr. Sholokhov was famous chiefly for "And Quiet Flows the Don," a four-volume epic about revolution and civil war coming to the cossacks of the Don River area. The novel, which was published between 1928 and 1940, earned Mr. Sholokhov a worldwide reputation and was the major reason he was awarded the Nobel Prize for Literature in 1965.

In 1974, Mr. Solzhenitsyn published a study alleging that the book had not been written by Mr. Sholokhov at all, but largely by Fyodor Kryukov, a cossack writer who was strongly anti-Communist. Mr. Kryukov died in 1920.

A historian, Roy Medvedev, also disputed Mr. Sholokhov's authorship and said that at 23 he was too young to have published such a detailed novel about cossack life, something which has also caused doubts among other Russian literary experts.

The novel's hero is torn between his loyalty to the cossacks and the Bolshevik forces they are fighting, and Mr. Medvedev argued that Mr. Sholokhov had never shown any sympathy in other writings for anyone but Bolsheviks.

Mr. Sholokhov did not respond, but the government daily, Izvestia, hit back with a 5,000-word article rejecting all arguments challenging Mr. Sholokhov's authorship.

Mr. Sholokhov, who wrote little in his last 20 years, became one of the great exponents of the orthodox Soviet style of Socialist Realism, dealing with heroic, working-class characters intended to serve as models to the reader.

Mr. Sholokhov was born on May 24, 1905, on a farm near Veshenskaya, the son of a cattle trader. His schooling was disrupted by the 1917 Revolution and subsequent civil war. He joined the Red Army as a machine-gunner at the age of 15.

In 1922, he went to Moscow to work as a stonemason and there began his literary activity, publishing his first book at the age of 20.

In the 1960s and 1970s, Mr. Sholokhov launched a series of veiled literary attacks on disgraced or dissident writers, usually describing them as insects or vermin. Boris Pasternak, author of "Doctor Zhivago," was a hermit crab in one such piece. Mr. Solzhenitsyn a beetle in another.

Mr. Sholokhov was one of the few Soviet writers never to have gotten into trouble with the authorities, and editions of his works are always available in bookshops, which often have only limited supplies of most other titles.

UPI

Mikhail Sholokhov

Gemayel's Lease on Political Life Seems Near Its End

By David B. Ottaway

Washington Post Service

BEIRUT — President Amin Gemayel, to all appearances, is trapped in an impossible position between three outside powers, none of whose support be can count on, and is nearing the end of his political tether.

In this light, his ill-fated gambit of offering Syria a set of "concessions" that Moslems and Christians alike here immediately saw as unacceptable to Damascus has done little more than earn him another few days' lease on his political life while negotiations cootinue with the Syrians.

Moslem-dominated West Beirut no longer accepts Mr. Gemayel as president, and his realm, which never extended mucb beyond the city limits of Beirut, is reduced to the presidential palace in Baabda and Christian East Beirut.

He can no longer count on his full U.S.-trained army, shattered by defections, defeat and religious strife. The army numbered at latest count only about 6,000 combat-ready troops out of a total force of 12,000 to 13,000 men still believed loyal to his government.

Syrian-backed Druze militia forces are poised for an assault on the army's last stronghold in the mountains southeast of the capital at Souk el-Gharb, whose fall would open the way to their march on the presidential palace at Baabda, three miles (4.8 kilometers) below.

Many Christians fear that President Ronald Reagan, who only last September declared Souk el-Gbarb vital to U.S. interests and ordered

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warships to help defend it, no longer cares whether it falls and will not repeat those orders.

The remaining bope for the Gemayel government, in the view of many, is Israel, which shows increasing signs of discontent with the return of Palestinians to the Beirut area. Israeli patrols have pushed northward from the Awali River to Damour. Israeli jets have pounded what Israel said were new Palestinian positions there and in the mountains.

But even among the Christians, few believe Israel is ready to save Mr. Gemayel even if be decides to implement the 1983 Lebanese-Israeli agreement, because of strong domestic opposition to any further military ventures in Lebanon.

No outsider knows exactly what Mr. Gemayel is thinking of the apparently waning U.S. support for his goveromeot. But Christian leaders are saying openly that the Uoited States has abandoned yet another ally and that it will pay dearly for its mistakes here and elsewhere in the Middle East.

A former Christian cabinet minister and longtime observer of U.S. foreign policy recently spoke of a meeting he had with Mr. Gemayel last fall. He said he had warned Mr. Gemayel not to depend too beavily on the advice and support of Washington because of its many conflicting interests in the Middle East. He reminded Mr. Gemayel of the fate of other U.S. allies who he said had made that mistake, including Ngo Dinh Diem of South Vietnam, Adnan Menderes of Turkey, Zulfikar Ali Bhutto of Pakistan and the shah of Iran.

A deeply disappointed Naoum Farah, the Phalangist Party foreign affairs spokesman, who like many East Beirut Christians is troubled by the American posture, called the current situation "a major global defeat for Washington" and "a time bomb" that will blow up in the years to come.

If President Hafez al-Assad of Syria "succeeds in putting his grip on Lebanon," Mr. Farah said, "after that it will be the turn of Jordan and King Hussein and then the rulers of the Gulf. . . . If the United States cannot do it with the Marines and the task force it has here, how can the United States deal with the Iranian threat in the Gulf?"

While Druze radio has begun calling Mr. Gemayel "the shah of Baabda," it is not clear yet whether the comparisons of his situation to those of other ill-fated U.S. allies is valid. But, like others, he has belatedly offered a series of concessions and reforms only to find that they are, as his chief Druze opponent, Walid Jumblat, said, "too late and too little."

The latest examples of these concessions came in what Mr. Gemayel apparently erroneously described as "King Fahd's plan" to resolve the current crisis. Its eight points, drawn up as the Saudis tried to mediate, appeared to be a carefully devised Lebanese plan to avoid making the very hard decisioo of whether to abrogate the divisive 1983 Lebanese-Israeli troop withdrawal accord, which requires choosing between Lebanon's two powerful enemy neighbors, Syria and Israel.

The plan links abrogation of the accord to new oegotiations with Israel to ensure the security of its northern borders and the simultaneous withdrawal of Syrian and Israeli troops, all as part of a package deal. It attempts to please Washington, Tel Aviv and Damascus at the same time and to maintain U.S. support for the Gemayel government.

Syria flatly rejected the proposals and demanded that Mr. Gemayel unilaterally abrogate the 1983 accord before it will discuss other steps that might extricate him from his present isolation.

Moslems and Christians saw the plan as unacceptable to Syria if only because it calls for the simultaneous withdrawal of its forces and those of Israel, a demand that Damascus could only interpret as an insult.

In other countries in similar circumstances, the leader would probably be regarded as finished. But Lebanese analysts keep reminding outsiders of Lebanon's history.

For example, Mr. Gemayel could be driven from the presidential palace by force and remain president. Something similar happened in May 1976, when President Suleiman Franjieh had to abandon the palace under heavy artillery fire from Palestinian and Lebanese leftists seeking to overthrow him. Among them were the Druze, then led by Walid Jumblat's father, Kamal, who was assassinated the following year.

Mr. Franjieh, swearing that the only way he would be forced ont of office was "in a coffin," moved the presidency to the Christian mountain heartland and hung on until the new president, Elias Sarkis, took office in September 1976.

Interestingly, Mr. Gemayel has now turned to Mr. Franjieh, a member of the opposition National Salvation Front, for solace and for mediation between him and both Syria and Mr. Jumblat.

UPI

Amin Gemayel

Hong Kong Restructures Its Politics To Prepare for China's Takeover

By Dinah Lee

Washington Post Service

HONG KONG — A new Chinese saying circulating in Hong Kong goes, "The more rights we have, the less security."

It describes in ironic terms the effect that Beijing's promises of democratic freedoms under Chinese sovereignty after 1997 have on the morale of five million people faced with oo alternatives. It also sums up the sense of resignation in the British colony as a new round of diplomatic talks between China and Britain begins Wednesday in Beijing.

"Everytime we ask Peking for some sort of real guarantee, they simply make more promises," said Lee Yee, founder and managing editor of The Seventies, an independent political monthly.

With the overall questioo of sovereignty over Hong Kong apparently settled, there has been new momentum toward preparing the colony for China's takeover. The Hong Kong government is speeding up the process of changing the colonial system of government to that of a self-regulating territory.

The assumption at the oegotiation table is that if an acceptable solutioo to the problem of Hong Koog's admioistration can be reached, then the British will relinquish sovereignty over Victoria, Hong Kong's main island, and a small part of the mainland not covered by the expiring treaty. The treaty accounts for 92 percent of the colooy's area.

Hong Kong Chinese critics of the British cynically call this position "retreat with honor."

In the meantime, the Hong Koog government points to the recent expansion of the colony's electoral system as evidence of the move toward self-government. Under the expansion plan, district boards, which administer local affairs in Hong Koog, will have twice as many elected officials as appointed members starting with next year's elections.

Government sources say that further expansioo of the democratic process will follow quickly. The Britisb Foreign Office explains that the otherwise attractive idea of electioos io Hong Koog was thought impossible for many years because of the Communist mainland's proximity and probable hostility from Beijing to the idea. But oow that obstacle seems to have been overcome. Late last year, Ji Pengfei, Beijing's state councilor for Hoog Kong affairs, raised the possibility of elections. The idea has since been made an official proposal by the Chinese.

And over the last month, Beijing in its own way has matched the Hong Kong government's push for more democracy. In December, Mr. Ji suggested unofficially that membership on the two existing governing bodies here — the legislative council and the executive council — be elected so that their membership is one-third pro-Chinese, one-third pro-British and one-third neutral.

This suggestion was immediately met with skepticism, since it implies the formation of inflexible parties from which to elect such members and a less independent choice of leaders.

This so-called "three-three" system alarmed local Chinese who would prefer that Hong Kong stay an apolitical commercial and financial center.

Significantly, the "three-three" proposal last week was sharply criticized by a columnist writing in a pro-Beijing Hong Kong oewspaper.

Diplomats said that the critique of the "three-three" system was a sign that Beijing wanted to step back from the idea. However, a source said the Chinese statements regarding free elections "had a role in coocentrating the mind of the Hong Kong government on the problem of self-regulation."

Instead of the "three-three" structure, the Hoog Kong government is attempting a gradual introduction of elected offices at low level "to allow people to cut their teeth ou bodies with limited powers, hut to prevent a free-for-all," said one diplomat.

In line with moves toward more autonomy for the colooy, the British are thought to be pressing the point with Beijing negotiators that Chinese assuraoces that Hoog Kong will retain its commercial and civil freedoms are not enough to maintain confidence about the transition.

Security Agreement Seen As a First for Pretoria

(Continued from Page 1)

mats have conceded privately that they expect to encounter strong opposition from members of the organizatioo over their rapprocbement with Pretoria hut argue that many of the same African states who shun South Africa quietly seek its trade.

Zimbabwe, for example, refuses to have ministerial-level contact with Pretoria, hut maintains strong economic ties and refuses access to South African rebels.

Mr. Machel has repeatedly stated that his government does not condone apartheid and will never recognize South Africa's oominally independent hlack "homelands." Nonetheless, it is clear that the South African government intends to use its new relations with Mozambique as justificatioo for its internal policies.

In a speech Tuesday in Johannesburg, the deputy foreign minister, Louis Nel, said the new regional climate ruled out "attempts to change the stable order in South Africa, be it by economic sanctions, disinvestment campaigns or revolution."

Several obstacles remain in the way of an agreement, not the least of which is the determination of anti-government forces in both countries to continue their campaigns. A spokesman for the Mozambican rebels, Jorge Correia, said in Lisbon Tuesday that his forces would continue their seven-year war against the Machel government despite any agreement with South Africa.

Despite such statements, the mood in both capitals remains juhilant.

The South Africans, who were the first ministerial level officials to visit Mozambique since independence, emerged from the talks Monday at the headquarters of the National Bank of Mozambique to find several hundred Maputo residents lining the sidewalk. The crowd burst into applause, underlining again the optimism and enthusiasm the oew rapprochement has generated.

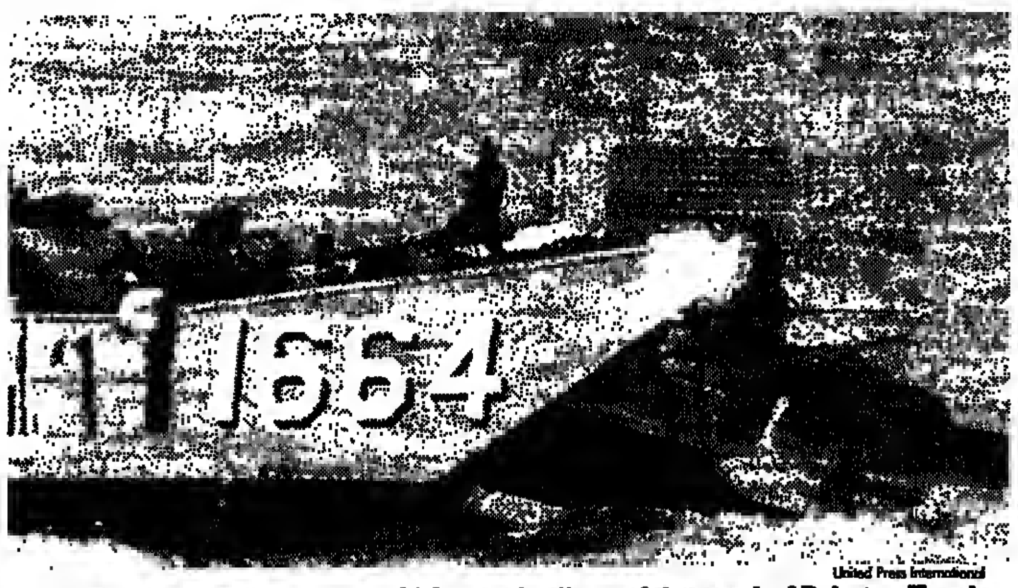
Rebels Criticize Security Accord

United Press International

JOHANNESBURG — The African National Congress indirectly accused Mozambique on Tuesday of perpetuating instability in southern Africa by agreeing to the principles of a nonaggression pact with South Africa.

"Peace and apartheid colonialism are inherently motually exclusive," the office of the ANC in Lusaka, Zambia, said in a statement telexed to Johannesburg. "No nonaggression pact will stop the ANC and the people of South Africa from fighting for their right to self-determination and liberation."

Mozambique has pledged to continue giving political and diplomatic support, but the terms of the agreement with South Africa will preclude military or logisitical backing.



United Press International

U.S. marines loaded amphibious vehicles on a landing craft just south of Beirut on Tuesday at the start of a withdrawal to ships of the 6th Fleet stationed just off the Lebanese coast.

East Germany an Advocate of Détente

(Continued from Page 1)

gic arms talks with the Soviet Union.

Foreign Ministry officials, noting that the Vienna negotiations on troop reductions in Europe resume on March 16, said they are "convioced that both sides will return to nuclear arms talks, but when and on what basis remains undecided."

Despite fears once expressed hy Mr. Honecker about a new "ice age" over the missile crisis, the blossoming détente between East and West Germany even while relations between Moscow and Washington remain tense, has come as a pleasant surprise to both German governments.

For the East Germans, more profitable relations hold out the promise of a relaxation of two years of rigid austerity measures.

Volkswagen recently agreed to a $200-million agreement to produce car engines in East Germany, and there is talk of another major loan underwritten by the West German government. Last month, East Germany granted several bundred more exit visas than usual to eocourage the view that it is ahiding by Bonn's wisbes for more liberal human rights conditions.

But Western diplomats said that there have also been signs of a crackdown oo cootacts with relatives in the West, citing more restrictive controls oo letters and telephone calls. Io addition, the government has stepped up arrests of peace activists, whose protests against Soviet as well as U.S. missiles have dropped dramatically.

This dual approach, combining an intensified campaign for détente with the West with harsher repression at home, reflects an omnipresent fear about being overwhelmed if not absorbed by the larger, much more prosperous West German state. More than 70 percent of East German homes receive West German television, compounding the governmeot's insecurity about too much exposure to the West.

When the West German parliament recently affirmed a constitutional claim about the indivisibility of German nationality based on the 1937 borders, the East German government broke its trend of conciliatory messages with scathing condemnation about the notion of a reunified Germany.

Foreign Ministry officials said that Bonn's repeated references to "a single German fatherland" called East German sovereignty into question.

"Behind this kind of talk lies the intention to eradicate us as a socialist state," an official said. "It's a contradictioo to our policy of wanting to become good neighbors."

"We bave to accept realities as they are," he continued. "Both German states are oot breathing their own free air, they belong to opposing political systems. Any attempt to cancel one or the other would destroy peace."

Western diplomats see East Germany's revived interest in détente as part of "a constant qoest for legitimacy."

The government's recent celebrations of famous German personalities, such as last year's 500th anniversary of Martin Luther's birth, have betrayed an intense desire to be recognized as the rightful historical heir of German ruling authority.

This coocern about legitimacy is most pronounced in the economy because the government has trumpeted its economic achievements in past decades as the most successful within the East bloc.

"After the austerity squeeze of the last couple of years, the last thing that the government wants to tell the people here is that they will have to tighten their belts another ootch," a diplomat explained.

The Honecker government's call for progress in arms control, while respooding to palpable concerns about concentration of nuclear weapons in central Europe, is also rooted in its economic worries.

East German officials admitted that the arrival of oew Soviet-built missiles on their territory has aroused little joy because the government will be required to pay for them.

Road Tie-Ups Spread In France, Italian Alps

(Continued from Page 1)

truckers who fouod themselves in financial difficulty because of the delays.

Among other concessions, he said the government would call on insurance companies to reimburse truckers whose vehicles or loads were damaged when riot police attempted to break up road barricades in the French Alps last weekend. Represeotatives of the truckers' associations left the meeting without making any comment

Passenger cars in border areas were unaffected by the Italian customs officers' slowdown, but severely hampered within France itself. However, motorists in France were beginoiog to fiod ways around the disruptions, getting to their destinations hy tortuous but open back roads.

Huge traffic jams built up on several main roads out of Paris as truckers conducted an "operation snailpace" maneuver, bogging the ring road around the French capital. But police headed off an attempt to hlockade the main fruit and vegetable market at Rungis, south of Paris.

Police said the trouble on the roads, after lifting slightly Sunday and Monday, was spreading again. The National Traffic Information Center reported 111 road blockades in about half of mainland France's departments, up from the 50 blockades reported Tuesday morning. It said traffic arouod Charles de Gaulle Airport was at "a virtual standstill."

As a result of the situation, some of the 14,500 workers at the Citroën car factory in Rennes, western France, and 9,000 workers at the Renault factory in the northeast town of Sochaux will be laid off from Wednesday as the plants close for lack of parts deliveries.

Italian customs officers were working only from 8 A.M. to 2 P.M. as part of their work-to-rule strike, which resumed Tuesday. Their strike last week set off the French truckers' protest.

The problems at the Italian-French border were discussed in private talks Monday night between Mr. Mitterrand and Prime Minister Bettino Craxi of Italy during a meeting in Milan.

(Reuters, AP, UPI)

WORLD BRIEFS

9 More Reported Killed in Punjab

NEW DELHI (Reuters) — New Hindu-Sikh violence rocked the state of Punjab in northern India Tuesday night as gunmen shot and killed nine persons and injured at least 12 in two villages, the Press Trust of India news agency reported.

The agency gave oo details about the identities of the dead or the attackers, but informed sources said that all nine victims were Hindus and the attackers were Sikh extremists. In an effort to prevent reprisal attacks, Indian agencies do not identify the sides involved in communal violence.

The killings brought the total deaths in eight days of violence in Punjab and the neighboring state of Haryana to 37, with about 300 injured.

Spain Protests EC Entry Conditions

BRUSSELS (Combined Dispatches) — Spain formally protested Tuesday proposed restrictions by the European Community on its fruit and vegetables as negotiations opened on the farming terms of Spain's entry to the community, expected by 1986.

After a negotiating session Tuesday, the French minister of external relations, Claude Cheysson, said that all present member states agree on a Sept. 30 target date for an end to the negotiations on Spain's entry.

The community proposals, made final Monday after two years of disputes, mean farm trade barriers would be scrapped within a decade of Spain's entry. The group's Mediterranean states had held up talks, fearing that a flood of cheap Spanish fruit, vegetables, wine and olive oil could ruin their farmers. *(Reuters, AP)*

Strikes in Rome Begin a Day Early

ROME (AP) — A series of strikes began in Rome on Tuesday, a day early, as workers protested the government's decision to limit automatic wage increases.

The Communist wing of the General Union of Italian Workers, a majority in the 3.5-million member union, called a 24-hour general strike Wednesday in the Rome region. Railroad workers, however, walked off their jobs Tuesday afternoon, and the state railways reported up to two-hour delays on long-distance trains leaving Rome, with some local trains canceled.

The protests have split Italy's powerful labor movement. Giorgio Benvenuto, the Socialist labor leader, said the strikes were "irresponsible" and said "at this point, the union federation is finished." Wednesday's planned strike threatens to paralyze airports and public transportation and to close newspapers, schools, factories and public offices.

Bonn Coalition Outlines Tax Cuts

BONN (Reuters) — Chancellor Helmut Kohl's three-party coalition agreed Tuesday on preliminary outlines of major income-tax cuts that are a major part of the government's economic strategy, government sources said.

Preliminary talks attended by ministers and party leaders set a ceiling oo cuts of 25 billion Deutsche marks ($9.3 billion) a year, but left timing and financing open. Finance Minister Gerhard Stoltenberg is seeking to finance about half the cuts through higher indirect taxes and reduced subsidies, but no decisions were made.

The sources said the Finance Ministry would submit a first draft of a tax-reform program by the end of May.

Nicaragua Sets November Elections

MANAGUA (AP) — The Sandinist government will hold elections for president and vice president on Nov. 4, the coordinator of the Nicaraguan junta, Daniel Ortega Saavedra, announced Tuesday. Both officials will serve six-year terms, Mr. Ortega said.

The elections, which had not been expected before 1985, would be the country's first since the Sandinist National Liberation Front toppled the government of Anastasio Somoza in July 1979. The junta asked the Council of State, an appointed body that serves as the legislature, to extend voting rights to people 16 years of age and older.

Carlos Nuñez Téllez, president of the council, said the Sandinists were committed to "fair, free and honest" elections. The pledge followed a warning by Sandinist opponents that they would boycott the elections unless the government lifted a state of emergency in effect for nearly two years and met other demands.

Paraguay Assailed on Human Rights

LONDON (AP) — Amnesty International, the human rights organization, has attacked the government of Paraguay for the arrest, torture, disappearance and forcible expulsion of citizens trying to exercise basic buman rights.

In a report for release Wednesday, the London-based group said that Paraguayan jails held about 50 political prisoners in October 1983, "many of them regarded by Amnesty International as prisoners of conscience."

The group also called on the government of President Alfredo Stroessner, who has ruled the country since 1954, to account for 45 persons who it said disappeared after being arrested or abducted or who died under unclear circumstances. It said many were active opponents of the government.

Soviet Condemns U.S. Arms Policies

MOSCOW (AP) — The Soviet press on Tuesday renewed its attack on U.S. arms control policy, denouncing what it called "reckless, adventurist actions" and restating Kremlin demands that the NATO missile deployment be canceled.

Three major national daily newspapers and the news agency Tass ran lengthy commentaries on arms control. The Tass report made clear that Soviet conditions for returning to the Geneva talks remained as they were before the death of Yuri V. Andropov on Feb. 9.

"The Soviet Union is ready to resolve on an equal footing the problem of ouclear weapons in Europe," wrote Yuri Kornilov, the leading Tass arms control analyst. "This takes one thing," he said. "Before it is too late, the United States and NATO should display readiness to return to the situation which existed prior to the commencement of deployment of Pershing-2 and cruise missiles."

Warsaw Priest Asks End to Protest

WARSAW (UPI) — A Catholic priest, whose removal from his parish prompted an angry protest by parishioners, asked his supporters Tuesday to end a church sit-in and follow their bishop's orders.

The Rev. Mieczyslaw Nowak returned to his former parish and appealed to the protesters to end their action, witnesses said. The church takeover, which began last weekend, had grown into a major challenge to Cardinal Jozef Glemp's authority before Rev. Nowak stepped in to appeal for calm.

Rev. Nowak, who was transferred to a small village parish last week, was the focus of the protest at St. Joseph's Church in Ursus, a Warsaw neighborhood known for its sympathy with Solidarity, the outlawed trade union movement. Cardinal Glemp personally ordered Rev. Nowak's removal, allegedly because he felt the 37-year-old priest was too critical of the Communist regime. The resulting outburst, in which Cardinal Glemp was accused of yielding to political pressure from the government, was an unusual challenge to church authority.

South African Policeman Sentenced

JOHANNESBURG (Reuters) — A white South African security policeman began a 10-year prison sentence Tuesday after being found guilty of killing a hlack political detainee.

Lawyers said that Sergeant Jan Van As, 27, appeared to be the first member of the security police to be convicted of killing a detainee in South Africa. Sergeant Van As has denied shooting Paris Malatsi, 23, during interrogation in the black township of Soweto last July, saying that Mr. Malatsi committed suicide after grabbing his gun.

Justice F.N. Kirk-Cohen, passing sentence in the Rand Supreme Court, said that Sergeant Van As had not intended to shoot Mr. Malatsi but had acted cold-bloodedly by holding a loaded gun to the prisoner's head in an attempt to intimidate him.

For the Record

Egypt and Israel have named a retired U.S. diplomat, Victor H. Dikeos, as head of the Rome-based Multinational Force and Observers headquarters, succeeding Leamoo R. Hunt, who was assassinated outside his home in Rome last week, the organization said Tuesday. Mr. Dikeos, 60, was the deputy director of the Multinational Force's Sinai peacekeeping organization between January 1982 and September last year. (AP)

A junior British Foreign Office minister will visit Paris this week for talks on a row over black British tourists. France, which accepts British tourists with identity cards instead of passports for short visits, last year turned back hundreds of black Britons, fearing illegal immigration. (Reuters)

David, a 12-year-old boy who was born without immunity to disease and lived almost all his life in a sterile bubble, slipped from serious to critical conditioo Tuesday as doctors treated a fluid buildup in his heart and lungs, officials at a Houston hospital said. David, whose last name has not been disclosed, was removed from the bubble Feb. 7 after suffering flu-like illnesses, diarrhea and vomiting. (AP)

The Associated Press

Senator Gary Hart and his wife, Lee, at a news conference ending their campaign in Iowa.

Glenn Forces Must Regroup Quickly For 3 Southern Primaries in March

By Dan Balz and T.R. Reid

Washington Post Service

DES MOINES — The poor showing of Senator John Glenn of Ohio in Monday's Iowa precinct caucuses will make it more difficult than ever for Walter F. Mondale's rivals to deny him the Democratic presidential nomination.

With Senator Gary Hart of Colorado emerging to challenge Mr. Moodale in next week's New Hampshire primary, Mr. Glenn must revitalize his candidacy in time to confroot Mr. Mondale in three primaries in Southern states that will be held March 13.

Mr. Glenn's campaign has been sliding for months, and his performance in Iowa — a state long regarded by his advisers as difficult territory — provided a blow to his candidacy that he oever expected.

Mr. Glenn long assumed that he would finish second in Iowa, if a distant second. But by falling to fifth among the eight candidates, he has compounded his problems in New Hampshire and perhaps weakened himself fatally in the South, which had been considered the crucial arena for his challenge to Mr. Mondale.

Mr. Glenn said Monday night that he hoped New Hampshire would be more hospitable.

"We got out-hustled and out-organized and we didn't do well in Iowa," he said in television interviews. "We expect to do better in New Hampshire. Obviously we won't do much worse."

Earlier, in a news conference in Boston, Mr. Glenn did his best to brush off Iowa results.

"Stop hanging crepe all over this," he said. "We're going on to New Hampshire, and we're going to do fine."

Mr. Glenn repeatedly drew a distinction between the open caucus

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procedure in Iowa and the secret-ballot primary in New Hampshire.

"When you have a secret hallot, the results will be different," he said. The voters of New Hampshire "are not going to be led around on a leash by anybody."

In Des Moines, Mr. Glenn's leading supporter in Iowa, Roxanne Conlin, a former gubernatorial candidate, said, "It was a disappointment, but the hlow is not fatal."

But a Democratic Party official in the South said Monday: "He's in a lot of trouble. Any candidate who gets kicked like that, it demoralizes his supporters."

For Mr. Mondale, the decline of Mr. Glenn's campaign means that his only formidable challenger in the South has suddenly been forced to regroup and reassess the future of his candidacy.

Mr. Hart, despite his surprising showing in the caucuses in Iowa and the effective organization he has in New Hampshire, has so far made little impression in the South.

Io several key Southern states, be did not file full slates of delegates, which means that Mr. Mondale could do even better than expected in that region, depending on the results in New Hampshire next week.

Mr. Hart said in New Hampshire on Monday that be hoped he could close in oo Mr. Mondale "incrementally" after having taken a "giant step" forward in Iowa. He has been running a fairly strong third behind Mr. Glenn in polls of New Hampshire Democrats, and he predicted Monday night that his good showing in Iowa would propel him ahead of everyone but Mr. Mondale in next Tuesday's primary.

"The vote in Iowa means that I will be the alternative to Vice President Mondale," Mr. Hart said. "This race is going to come down to a two-candidate contest very fast.

"Having come from so far behind, we have a way to go. I'm not expecting any overnight miracles. I'm not expecting to win the nomination in the next 15 days. But I expect to win the oomination."

One thing now standing in Mr. Hart's way in New Hampshire is the candidacy of his former boss, former Senator George S. McGovern of South Dakota. Mr. Hart was Mr. McGovern's campaign manager in 1972, when he woo the Democratic presidential oomination, and Mr. McGovern has said he would do oothing to hurt Mr. Hart's chances in the race.

"I don't persooally relish the idea of a head-to-head contest with Gary," Mr. McGovern said during a recent campaign trip in New Hampshire. "But then, I doo't see how I can bypass a state for sentimental reasons."

Mr. McGovern said Monday night that he was "delighted" about his third-place finish in Iowa, particularly since he had spent almost oothing on television or radio advertising. The Iowa result shows that "you can survive a political campaign without spending a lot of money," he said.

"I said right along I wanted to come in the top four, and it looks like I did, with one notch to spare," he said. "I think it's a great showing."

Poll Shows Mondale Lead In Primary

New Hampshire Survey Puts Glenn 2d, Hart 3d

By Barry Sussman

Washington Post Service

WASHINGTON — Walter F. Mondale holds a large lead in New Hampshire one week before 1984's first Democratic presidential primary, with Senator John Glenn of Ohio running second and Senator Gary Hart of Colorado third, according to Washington Post-ABC News polling in recent days.

The front-runner is supported by 37 percent of the Democrats and independents who say they are certain to vote.

The poll, in which 526 persons were interviewed from Feb. 13 through Feb. 20, shows Mr. Glenn the choice of 20 percent of those who say they are certain to vote. He draws most of his support from those who say they are independents.

Mr. Hart is backed by 13 percent of those who say they are certain to vote, placing him slightly ahead of the Rev. Jesse L. Jackson, who was chosen by 10 percent. Former Senator George S. McGovern of South Dakota received 6 percent, Senator Ernest F. Hollings of South Carolina and Senator Alan Cranston of California got 4 percent each, and former Governor Reubin Askew of Florida received less than 1 percent.

What effect Monday's caucuses in Iowa may have on next week's primary is uncertain. Only 6 percent in the poll were unable to choose among the eight candidates, suggesting that most voters there may have made up their minds. At the same time, the large majority in the survey said they had not been following the race very closely.

Beginning Feb. 13, about 75 people a night were interviewed by The Washington Post and ABC News.

All had to meet the criteria of saying that they were registered as Democrats or independents and that, if they voted next Tuesday, it would be in the Democratic primary.

Despite Mr. Mondale's strong lead, the poll suggests that he is being hurt by the charge that he is making too many promises to special interest groups.

The poll asked whether people agreed with that charge or whether they felt his promises "are ones that a Democratic candidate for president should be making."

Among Mr. Mondale's supporters, 25 percent said he was making too many promises and 60 percent said he was oot. Amoog backers of all the other candidates except Mr. McGovern, more than half said Mr. Mondale was makiog too many promises.

New Hampshire supporters of all the Democratic candidates were pessimistic about the chances of defeating President Ronald Reagan. Among Mondale backers, fewer than 4 in 10 said they believed Mr. Mondale could defeat Mr. Reagan.

Mondale Is Victor in Iowa

(Continued from Page 1)

Cranston, in particular, were depending on televised gibes at Mr. Mondale to offset their opponent's huge lead in organization.

"We demand leadership, but we get caution, compromise and special interests," Mr. Hart complained in a typical commercial.

Although Mr. Mondale's ability to dominate the outcome was oever threatened, many Democrats believed that he had sustained political damage in Iowa that could hamper him later.

Oppooents have consistently hammered at Mr. Mondale's ties to the American Federation of Labor and Congress of Industrial Organizations, whose leaders endorsed him on behalf of the federaöoo's 13 million members.

AFL-CIO members were prominent among the residents of nearby states who were bused into Iowa oo Monday and for the past six weekends to distribute literature for Mr. Mondale.

Before arriving here, Mr. Mondale campaigoed Monday in Springfield, Illioois, where he avoided any response to his opponents' criticisms. Instead, he condemned Mr. Reagan and referred to himself as the president's inevitahle Democratic opponent.

Venice Closes Canal Bridge

The Associated Press

VENICE — The Ponte dell'Accademia, one of the major bridges across Venice's Grand Canal, was closed Tuesday hecause of fears that it might collapse.

U.S., Britain Said to Boost Gulf Strength

Compiled by Our Staff From Dispatches

LONDON — The United States and Britaio are expanding their naval strength near the strategic Strait of Hormuz in the Gulf, according to news reports.

Diplomats told Newsday, a Long Island newspaper, that recent intelligence reports indicated that Iran might be preparing to carry out a long-standing threat to block the strait.

The reports followed a weekend in which the war between Iran and Iraq escalated and both sides claimed to have inflicted large casualties.

Iran reported Tnesday that it had halted another Iraqi counterattack in the Abadan area of the southern front. Iraq said it was re-equipping its arsenal with weaponry that would crush Iran's six-day offensive.

The Iranian revolutionary government of Ayatollah Ruhollah Khomeini has repeatedly threatened to close the Strait of Hormuz between the Gulf and the Indian Ocean during its war with Iraq, which started in September 1980.

Newsday, io a dispatch from London, quoted Western intelligence officials as saying that Iran had moved strike aircraft, including some U.S.-made F-14 Tomcats sold to Shah Mohammed Reza Pahlavi of Iran, to a base at Bandar Abbas near the strait. Land-based artillery could also be hrought to bear on tankers passing through the 50-mile-wide strait, they said.

"It has moved from the threat stage to a real possibility," a senior Western diplomat told Newsday.

Prime Minister Margaret Thatcher, speaking in Parliament, refused to rule ont the possibility that the Royal Navy would join U.S. ships to protect the sea lanes.

Asked for an assurance that British ships would not be engaged in the Gulf in cooperaöon with U.S. forces, Mrs. Thatcher said: "No, I can't give that assurance because in certain circumstances — we do not know what they might he — it might be in Britain's interest to join with American forces to protect that part of the world and the oil supplies so vital to the West."

Newsday quoted diplomats as saying that Mrs. Thatcher had ordered the aircraft carrier Inviocible to enter the area in the next few days. The carrier, with its Harrier jump jets, reportedly will join ships that were on convoy escort maneuvers through the strait and will guard against any attempt to close the waterway.

British newspapers reported that a U.S. naval task force of nine vessels was heading for the Gulf of Oman. The reports said that the carrier Midway was among the ships.

Since Ayatollah Khomeini took power in 1979, the United States has deployed a task force to ensure that the strait, through which one-sixth of the West's oil passes, would be kept open.

In Washington, the White House affirmed President Ronald Reagan's commitment to keep the strait open but would not comment on the movement of naval vessels. The presidential spokesman, Larry M. Speakes, said Tuesday that the U.S. commitment "includes doing what's necessary." Asked if this commitment might involve military force, he said he "wouldn't comment on contingencies."

Iraq's warning that it would use new weapons if Iran stepped up its offensive came in the government daily, Al-Thawra. The newspaper said that Tehran was preparing a new attack. It said: "Iraqi forces will employ weapons never used before."

According to United Press International, this was seen by Western diplomats as a confirmation of a Jane's Defense Weekly report that the Soviet Union had supplied Iraq with the SS-12 Scaleboard battlefield support missile to bolster its defenses against Iran's human-wave assaults.

The Iraqi INA news agency said that Iran was regrouping for a massive new attack on Iraqi towns. Quoting a military spokesman, it said the troops were massed in populated areas near the two countries' 733-mile (1,200-kilometer) common border.

"We will consider the massive troop buildups inside Iranian villages and towns as military targets," the spokesman said, according to INA. "For every harmful insect there is an insecticide."

Iran's oil shipments, which finance its costly war effort, have been seriously disrupted in recent months as Iraqi jets have destroyed tankers near Iranian oil terminals.

The oil pipeline from Iraq to Turkey, Iraq's only major oil export outlet, exploded Monday after a pressure buildup on a pipe near the southern Turkish town of Adaoa, a Turkish Energy Ministry official told Reuters. He did not say how long repairs would take.

The strait is policed by Oman with major support from Britain and the United States. Despite the current world oil glut, hlocking the strait could cause major economic disruptions, particularly to Japan, the largest single consumer of oil from the Gulf.

(Newsday, UPI, Reuters)

100,000 Reportedly Die In Mozambique Famine

By Glenn Frankel

Washington Post Service

MAPUTO, Mozambique — An estimated 100,000 people have died here in recent months from malnutrition caused by severe drought and disruption of food supplies by anti-government guerrillas, making this impoverished nation Africa's worst famine victim.

International relief officials say another 100,000 are likely to die over the oext six months and that 4.7 million, more than ooe-third of the country's population, face the prospect of increased hunger.

Nearly 350,000 people have abandoned their homes in the country's isolated interior and made their way to government relief camps to seek food and shelter. Some have trudged on foot for more than 50 miles (81 kilometers) to the camps, carrying their few possessions on their backs. Another 30,000 have crossed the border into neighboring Zimbahwe, where food distribution is far better despite the fact that it, ton, faces a third year of serious drought.

Government officials say hundreds of children have been abandoned by their parents and that these and other children below age 5 face the greatest risk of death from starvation or related diseases.

According to a United Nations report prepared two weeks ago here, Mozambican farmers can supply only about 15 percent of the 379,000 metric tons of corn, wheat and rice needed to maintain the population through the end of April. The bulk of supplies is expected to come through donatons from Western countries, Japan, the Soviet Union and Vietnam, and from commercial imports. But there will still be a deficit, the report said.

Equally alarming, according to relief officials, is the fact that the government has no projections beyond April 30. "No one knows where the food will come from after that," said a representative of a major Western relief agency.

Adding to the misery was a cyclone last week that dumped several inches of rain on Mozambique, Swaziland and South Africa, killing more than 120 people and washing away freshly planted seeds that officials here had counted oo to help ease the famine. Flooding also crippled Maputo's water filtration plant, leaving the the city's populatioo of 800,000 without piped water for at least 10 days.

The southern provinces of Inhambane and Gaza have suffered the most so far, with oearly 60 percent of the population classified as "severely affected." These provinces also are among those most affected by raids hy anti-government insurgents of the Mozambique National Resistance movemeot (MNR), which diplomats here believe receives the bulk of its support from South Africa.

The Ministry of Internal Trade recently reported that the guerrillas had destroyed or damaged 500 rural centers used for distributing seed, fertilizer and other essential farming supplies and for warehousing food products. It has put total losses in buildings, farm equipment, trucks, tools and food at $15 million, more than 10 percent of the total rural network.

Worst hit, according to aid workers, have been the small family farms that the Marxist government has turned to io recent mooths in hopes of reversing the country's increasing shortfall in food production.

Mozambican military officials contend they have made major inroads in recent months against the Mozambique Naöonal Resistance, including capturing the organization's operations base in southern Mozambique. But guerrilla raids have continued to hamper the movement of food and other supplies into the interior of the country.

The combination of the drought and guerrilla attacks has also been a key factor propelling the Mozambicans into ministerial-level talks with South Africa. Officials hope to receive increased South African investment and a lessening of South African support for the MNR.

More than a dozen international agencies have begun setting up relief programs in Mozambiqne and a number of countries are shipping in food. The United States already had shipped in 43,000 tons of food this year, equivalent to the amount it provided for all of 1983, making Mozambique the largest recipient of U.S. emergency food supplies in Africa, according to American officials.

U.S. Arms Buildup Produces Boom on West Coast

By Robert Lindsey

New York Times Service

SAN FRANCISCO — From the hectic days of World War II, when its factories mass-produced ships and bombers, through the postwar era, when long-range nuclear missiles came out of many of the same factories, the West Coast has been a rich beneficiary of Pentagon budgets.

It has been at least 15 years, however, since the West's military industries have enjoyed the kind of

REPORTER'S NOTEBOOK

boom they are experiencing now, a result of President Ronald Reagan's arms huildup.

While other industries in the region, such as timber, farming and homebuilding, are still recovering from the recession, the arms buildup is stimulating the ecomony along much of the West Coast.

In Washington state, the Boeing Co. has already received new orders. And a new navy port, bringing 15,000 jobs and a $400-million-a-year payroll, will be established either at Seattle or Everett on Puget Sound for a carrier battle group headed hy the Nimitz.

Even Oregon, whose economy depends largely on logging and agriculture, is feeliog the effects of increased military spending as the fledgling electronics industry near Portland supplies electronic devices for weapons systems.

The impact has been greatest io California, which has about 10 percent of the nation's population and expects to receive almost 18 percent of the Pentagon's dollars this year.

California, the huilder of many weapons systems and parts, is expected to add tens of thousands of new jobs this year. Economists say the impact will be even greater in 1985.

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Although many Easterners regard the West Coast as a homogeneous region with the same scenic shoreline and plentiful natural resources, Westerners themselves view one another through a different prism.

For generations, for example, San Franciscans have generally tended to regard people who live in Los Angeles as crass, unsophisticated and maybe too affluent for their own good.

The phenomenon of North-looking-down-npon-South has expanded to encompass the entire coast. It started a few years ago when Californians began discovering the fresh air and tall trees on the other side of the state line and began moving to Oregon.

As California has become more troubled by smog, inflated housing costs, congestion, crime and other prohlems, still more residents have moved north, not only to Oregon but also to Washington and Idaho.

Many are met with a welcome as cold as a winter night in the Cascade Mountains. Many local people fear the newcomers will bring California's problems with them. In some towns in western Washington, the presence of California license plates on an automobile invites insults. Some Washingtonians have humper stickers that say, "Californians Go Home."

□

Edmund G. Brown Jr., who left the California governor's office 13 months ago, is not faring well in retrospective analyses of his eight-year administration.

Last year, as California was struggling with a serious fiscal crisis, Mr. Brown, a Democrat, was frequently criticized for leaving his Republican successor, George Deukmejian, with a $1.5-hillion deficit.

More recently, what had been regarded as Mr. Brown's foremost accomplishment, the enactment in 1975 of the nation's first collective bargaining act for farm workers, has come under fire from some members of both parties.

Mr. Brown is heing accused of torpedoing the law's chances of success by appointing to the agency enforcing it people who were clearly loyalists of Cesar Chavez, founder of the United Farm Workers. Mr. Brown's critics assert that whatever support the law had from growers has been lost. His friends deny the charge.

Friends say Mr. Brown has not given up hopes of running again for the presidency and would like to try again in 1988. Or, they say, if Senator Alan Cranston, also a Democrat, decides oot to seek another term, Mr. Brown might run for his seat.

U.S. Tells Little of Lebanon Shelling

By Rick Atkinson

Washington Post Service

WASHINGTON — Nearly two weeks after the heaviest U.S. naval hombardment since the Vietnam War, Pentagon officials have yet to disclose whether the intense shelling of targets around Beirut hit anything of military significance or caused civilian casualties.

On Feb. 8, the battleship New Jersey fired 290 16-inch shells, each weighing about a ton, at Syrian-controlled positions 20 miles (32 kilometers) east of Beirut. That barrage was supplemented by 450 5-inch shells from the destroyer Caron.

A 16-inch shell, about the weight of a small car, is powerful enough to slash a 200-yard diameter clearing out of dense jungle while also shredding trees and underbrush for 400 yards beyond, according to navy officials.

The impact leaves a crater 17 yards (15 meters) in diameter and more than seveo yards deep, they added.

Since the U.S. warships first began firing on Sept. 8, 301 16-inch shells and more than 1,300 5-inch shells have been lohbed into Lebanon, according to navy tallies. Attack bombers have also dropped a classified number of Mark-83 1,000-pound (450-kilogram) general purpose bombs, Mark-20 Rockeye anti-personnel cluster bombs, CBU-59 cluster bombs and laser-guided bombs.

"There will be a lot of boles," a Pentagon official said. "It ought to look like the moon up there."

Whether the holes are where the navy intended them, however, remains a subject of Pentagon speculation. Spokesmen for Defense Secretary Caspar W. Weinberger have said that aerial reconnaissance of the damage has been hampered by had weather in the mountains east of Beirut.

A Pentagon official said last Friday that other information on effects of the shelling has remained secret for fear of compromising "sensitive intelligence sources."

Some officers said privately that the delay in releasing informaöon is embarrassing and frustrating because it generates suspicion that the Pentagon is covering up either a poor performance by navy gunners or more "collateral" damage to civilians than the United States cares to admit.

Two well-placed officials said that information from the U.S. forces in Beirut, including damage assessments, has had a much more restricted circulation in the Pentagon since the Long Commission concluded in late December that General Bernard W. Rogers, U.S. commander in chief in Europe, was indirectly responsible for failing to adequately safeguard marines killed in the October truck-bomh attack in Beirut.

An officer said that General Rogers issued official messages soon after the Long Commission's report, saying that he would decide what information is seen outside Beirut.

"It appears that he decided, 'If I'm going to take the hlame, then I'm going to be in charge,'" the officer said.

The order had the effect of limiting much of the military cable traffic from Beirut to only the Joint Chiefs of Staff and Mr. Weinberger's staff.

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Syria Is Calling the Shots

Do you wonder why the "Saudi plan" for a settlement in Lebanon collapsed over the weekend? It almost seems that its prime defects, in Syria's eyes, were that President Gemayel accepted it and that it was not specifically a Syrian plan. Also, it failed to satisfy Syria's root demand for Beirut to undo the Lebanese-Israeli agreement of last May 17. Mr. Gemayel had promised in November to work for the changes that would remove the May 17 accord as an object of contention among the Lebanese. But he has been reluctant to give up the connections to Israel and the United States — lifelines for the Christians, as he sees them — embodied in that agreement. The longer he waits, the more is asked of him. Now not only his Druze challengers but also the more moderate Shiites demand his head.

The Israelis watch with foreboding the crumbling of the Lebanese government, which their policy did much to weaken and which, inconsistently, they had counted on to help secure their northern border. By fresh military attacks, the Shamir government seeks to remind everyone — not least Israeli voters — that Israel remains ready to protect its own security. Jerusalem threatens to stay in Lebanon until a Lebanese government gives a "credible" anti-terrorist commitment. That is a formula for an open-ended, perhaps multi-year (multi-decade?) occupation. The Israeli public is unlikely to support it.

President Reagan and his chief lieutenants are busy saying that their policy has not failed, or that others were responsible, and that anyway Lebanon is not all that important. They would do better to accept the painful truth that Syria is calling the shots now in Lebanon, support the Saudis and others who are trying to cushion the impact, and make sure that America's old friends in Lebanon are not led to believe further that Washington is in a position to bail them out.

— *THE WASHINGTON POST.*

A Mismanaged Economy

This year Americans will probably buy $100 billion more goods and services from abroad than they sell. As a result, the United States will soon become a net debtor, for the first time since World War I owing more to foreigners than they owe to Americans.

Does it matter? In theory, no. As economic textbooks point out, international financial flows are self-correcting in the long run.

But in practice, yes. Such big trade deficits are a symptom of serious economic mismanagement and a source of political tension that clouds worldwide economic growth.

Is there a remedy? Yes: for the government to reduce the domestic budget deficit.

Most prosperous nations run trade surpluses most of the time, lending money to other countries to cover the difference. But several factors have pushed America in the opposite direction, changing a $5-billion "current account" surplus as recently as 1981 into an estimated $60-billion deficit this year.

First, debt crisis has forced Third World countries (notably Latin American) to reduce their purchases of foreign (notably U.S.) goods. Second, the U.S. economy is recovering from recession faster than other economies, and so America is increasing purchases of imported goods faster than other countries.

Most important is the lure to investments. High American interest rates and political instability abroad have made the United States especially attractive to foreign investors. Their fervor to buy everything from Treasury bills to shopping malls has pushed up the dollar's value relative to other currencies. The stronger dollar, in turn, makes it harder for American companies to sell abroad and easier for foreign companies to sell in the United States.

There is a bright side to trade deficits. The purchases of foreign goods that add to trade deficits also stimulate other economies, which need *all* the help they can get. But the policies that enlarge the American deficits are doing a lot more harm than good. Double-digit interest rates make it hard to refinance foreign debts, dimming the hopes that countries like Mexico and Nigeria will ever prosper — or that countries like Brazil and South Korea can handle the transition to democracy. The industrialized world has a big stake here, too.

The "overvalued" dollar has smashed U.S. farm exports and brought demands for quotas and tariffs to protect U.S. manufacturing. If the protectionists get their way, foreign countries would surely retaliate, raising prices everywhere and damaging productivity.

Some economists call for direct measures to reduce the strength of the dollar, such as government intervention in foreign exchange markets and limiting foreign investment in U.S. securities. But such measures are not likely to work very well or very long. Without an influx of foreign funds, the pressure on American interest rates would be even greater.

Only by reducing the demand for dollars can the United States tame its monumental trade deficit. And only by reducing the Treasury's insatiable appetite for borrowed funds to cover the federal deficit is the demand for dollars likely to be reduced. That is another good reason to drive down the deficit that the Reagan administration keeps pushing up.

— *THE NEW YORK TIMES.*

Other Opinion

Areas of Common Interest

Now is not the time for the United States to reach for a political advantage at the Soviets' expense. Whatever opportunities for tactical success may seem to present themselves, there is a greater need: to begin to repair the relationship between the two superpowers. Both ought to recognize that the enormous political differences between them mask some modest underlying areas of common interest.

— *The Chicago Tribune.*

Lebanon: A Regional Affair

Is Lebanon another Vietnam, another Iran? In a way yes, in a way no. Like Vietnam and Iran, the United States found itself backing an unpopular government, with no clear understanding of the underlying political landscape in the country. Unlike Vietnam and Iran, Lebanon was never a part of the U.S. defense alignment. The country was not lost because it was never gained.

Lebanon is not a strategic country for the United States, despite the rhetoric about Soviet incursions into Lebanon. America still has its allies in Israel, Jordan, Egypt and Saudi Arabia, all of whom have a better understanding of Middle East politics than the Americans. America needs to learn that the way to win a battle oftentimes is not to fight it.

— *The Jakarta Post.*

In bloodied Lebanon, President Reagan has chosen to cut his losses. While politically awkward, that is not a dishonorable stance. Lebanon has fallen into political chaos, mooting the whole premise for deploying the marines there. Mr. Reagan's was a ragged decision, raggedly timed, but it was better than keeping the marines on station to no clear purpose.

What the retreat does, however, is dramatize the confusion and uncertainty that afflict U.S. policy toward Lebanon. It has been a policy swept along on currents of American ambivalence — toward Syria, toward Lebanon's battered President Amin Gemayel, toward the flabby Lebanese "peace" accord of last May. Seldom has there been coherence and consistency, save in the administration's rhetoric — and now even that pretense has been dropped.

— *The Providence (Rhode Island) Journal.*

The Lump of Labor Isn't Solid

Trade unions in Western Europe are on the warpath for a reduction in working time. Employers and non-Socialist governments are nervously scanning the smoke signals and pulling the wagons round in a defensive circle. The dispute will get out of hand unless economic common sense is allowed to break in.

Both sides need to recognize that the impact of a cut in working time is little different from a rise in nominal wages. In a competitive world, you do not save jobs by cutting hours or raising wages. You export them to foreign competitors. West Germany's heavy industry is kindly preparing to export jobs to the rest of the world because the metalworkers' union, IG Metall, is shaping up for a strike as it presses a claim for a cut from 40 to 35 in weekly working hours while it wants wages to increase by 3½ percent. The union says this will reduce the number of West Germany's unemployed by up to 1.4 million, because it has fooled itself that the amount of work to go round is fixed. That is what economists have long dubbed the "lump of labor fallacy."

If costs rise faster than productivity, firms will take steps to pay for fewer man-hours of work. After a while, because overtime rates make their products more expensive, they will reduce their operations, and West German dole queues will lengthen, not shorten.

— *The Economist (London).*

FROM OUR FEB. 22 PAGES, 75 AND 50 YEARS AGO

1909: Battleship Fleet Returns Home

OLD POINT COMFORT, Virginia — With the arrival at Hampton Roads of the repair ship Panther, the advance guard of the battleship fleet, it became known that the fleet passed through a hurricane on [Feb. 19]. The fleet will remain out of sight of Old Point Comfort until after daybreak [on Feb. 22], when the ships will steam in for review by the President. The American battleship fleet, composed of sixteen warships, left Hampton Roads on December 16, 1907, and when it anchors in that port it will have been gone one year and sixty-eight days. No accident has marked the progress of the greatest armed fleet that ever made such a long voyage, and the battleships will steam into Hampton Roads in better condition than when they left.

1934: A Fund for Financial Freedom

WASHINGTON — The United States will observe [on Feb. 22] the 202nd birthday anniversary of George Washington, Father and first President of the nation, in the midst of a struggle for financial freedom which broadly parallels the movement for political independence which he successfully waged against Great Britain. President Roosevelt is striving for self-control of the national currency. Steps to create a "$2,000,000,000 dollar stabilization fund" recently initiated by the President were conceded to be for the purpose of counteracting the British "equalization" fund of about $1,800,000,000. The Government is determined to control the price of the dollar and of gold so as to raise commodity prices and contribute to economic recovery.

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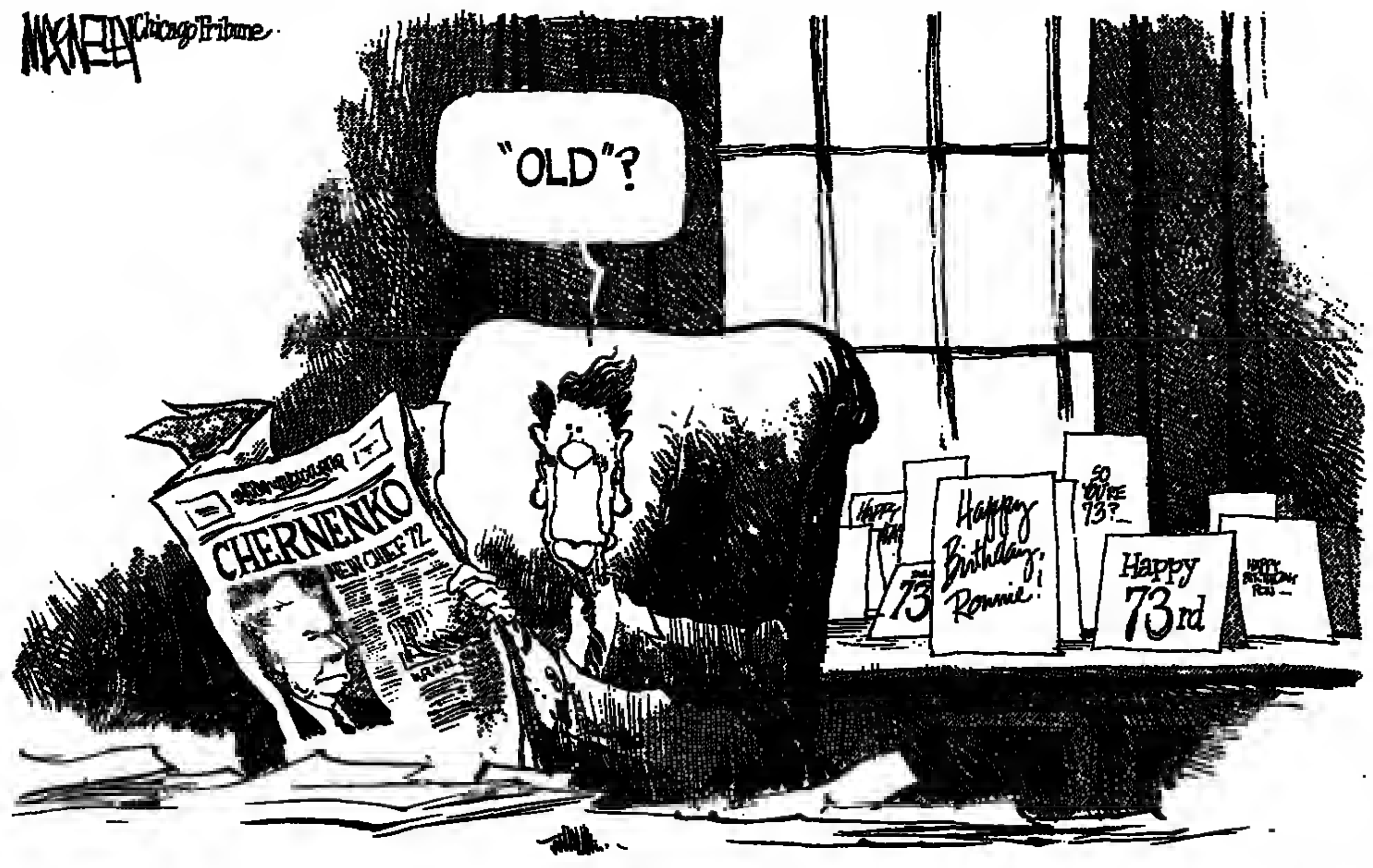

Chernenko: Businesslike and Humorless

By Arkady N. Shevchenko

NEW YORK — At Yuri Andropov's funeral, those who watched his successor, Konstantin Chernenko, could not miss his obvious satisfaction at having achieved his life's ambition.

Leonid Brezhnev's protégé had already lost out once in the contest for the general secretaryship of the party. Mr. Chernenko's amazing comeback is a manifestation of the Soviet system's political functioning, demonstrating the reluctance of the old-guard Politburo members to admit that the time has come for them to go.

That group is unwilling to cede ultimate authority to the younger generation. To retain their power, the majority of the members went so far as to accept as their titular leader a man they do not admire and have resented for years.

Key Politburo members, particularly the late Mikhail Suslov and Aleksei Kosygin, considered Mr. Chernenko a parvenu, a man without the proper qualifications for joining their group, much less for becoming their leader.

Mr. Chernenko's main strength rests on his lifelong career as a professional party apparatchik. He belongs to the party elite, the true ruling class of the Soviet Union. Because he is a blood brother, the members of that elite will trust him more than someone who has not done his life's work in the party.

Mr. Chernenko is a master of wheeling and dealing in the Central Committee, an ideologue and a propagandist. While he has an intimate acquaintance with the intricacies of party work, he does not have much experience or expertise in economic management or the processes of substantive foreign policymaking. At Politburo meetings I attended, he rarely expressed his own views on substantive matters of foreign or domestic policy, invariably supporting his patron Mr. Brezhnev. His personal relations with Andrei Gromyko were rather cool; Mr. Gromyko preferred to deal directly with Mr. Brezhnev.

While Mr. Brezhnev was alive, Mr. Chernenko had considerable power as Mr. Brezhnev's close personal friend and confidant. As the technical secretary of the Politburo, and later a member of it, he had unrestricted access to all its secret information and private views, expressed in meetings or through polling of its members.

The son of a Siberian peasant, a party member since age 20, he steadily made his way from the provinces to the top in Moscow, latterly as Mr. Brezhnev's aide and then almost as his alter ego. I met him after Mr. Brezhnev became the party leader in 1964, and had occasions to talk with him both in Moscow and in New York.

He is stocky and stoop-shouldered. For some time he has had emphysema, which has evidently become more serious recently. He did not impress me as a bright intellect but as a pragmatic, businesslike man who knows what he wants. He is demanding, rude, authoritarian, arrogant and dictatorial, and has immense self-confidence.

He is so dull a public figure that, in my time, there were not even the usual anecdotes or jokes about him. As younger men, he and Mr. Brezhnev used to get together for heavy drinking sessions while they socialized. Nondrinking Soviet leaders such as Mr. Suslov, Mr. Kosygin and Mr. Gromyko despised his habit.

Generally taciturn, he tends to speak in sharp, abrupt sentences, frequently interrupting others, inspiring timidity in his subordinates, whether they are affected by his strong physical presence or connected to it only by telephone.

On a visit to New York in the mid-1970s, for instance, he had a Soviet United Nations ambassador, known for his imperious behavior, quaking like a mouse. In Moscow I saw Vasily Makarov, Mr. Gromyko's powerful assistant, holding the telephone receiver with shaking hands while he answered Mr. Chernenko, on the other end of the line, in a stream of rapid yeses.

While I was United Nations undersecretary-general, Mr. Chernenko came to New York to examine the procedural work of the United Nations and its meetings. He showed some interest in the technical facilities of the United Nations but none in political discussions. He was all business and practically humorless.

This is the first of two articles. The writer was United Nations undersecretary-general, ambassador-at-large and a top political adviser to Foreign Minister Andrei Gromyko before breaking with the Soviet government in 1978. He contributed this comment to The New York Times.

Among Shiites, a Combustible Reservoir of Anger

By Patrick Seale

LONDON — The extent to which Americans are now physically at risk in the Middle East was illustrated by the killing on Jan. 18 of Dr. Malcolm Kerr, president of the American University of Beirut.

U.S. intelligence has concluded that, after punishing the marines, America's enemies in Lebanon are looking for softer targets.

The response of President Ronald Reagan and Secretary of State George Shultz has been to declare that the United States will not bow to terrorism. A decision has been made to tough it out. That response suggests that Washington has not wholly understood the nature of the forces its policies have unleashed.

On Jan. 4, two weeks before Dr. Kerr's killing, a devastating Israeli air raid on the Lebanese city of Baalbek killed about a hundred people and wounded 400, without a whisper of reproof from Washington. The victims were sons, daughters, nephews, cousins of the Shia population that continues to suffer daily harassment under the Israeli occupation of southern Lebanon, and from whom the gunmen at the American University of Beirut were most probably drawn.

America's support for Israel's invasion of Lebanon in June 1982 and its apparent inability to restrain Israel since or get it to withdraw have made its marines a prime target — and now also its nationals and its institutions in the region.

The tragic irony of Malcolm Kerr's death is that he was a bitter critic of the American policies to which he fell victim. In an essay published last year, he warned that if the West continued to ignore the intolerable injuries suffered by the Arabs, its victims would one day, in the words of Arnold Toynbee, "stagger to their feet and stab it in the back."

Malcolm Kerr — "the most eminent American target available," as one of his colleagues put it — was himself shot in the head.

Since its foundation in 1866, the American University of Beirut has stood for a dialogue between Arabs and the West based on mutual respect and shared intellectual and humane values. Dr. Kerr was acutely aware that at some time in the 1970s the dialogue had broken down.

The emergence of "imperial Israel" and the rich pickings from the oil boom caused the United States to think only of how to protect its access to oil, get its lion's share of the petrodollars and keep Russia out by an increasing dependence on Israeli power. The interests of business and security, narrowly conceived, replaced the earlier concern for a fruitful interaction between two societies.

In the new hard-nosed U.S. mood, the pleas of Arab allies that America act to safeguard a respectable slice of Palestine and curb Israeli excesses in Lebanon are discounted. The prevailing Washington view is that these allies, dependent on America for protection and for a haven for their money, can be safely ignored.

Now a qualitative change is taking place in the nature of the challenge to American policies in the region. After the Iranian revolution of 1978-79 — which should have been a fearsome object lesson of the anger that America had aroused among ordinary Iranians — Lebanon is driving the lesson home. Shia militancy is clearly far more dangerous than Palestinian guerrilla groups ever managed to be.

According to official Israeli police statistics quoted in the Tel Aviv newspaper Haaretz on July 16, 1982, 282 Israelis had died from all forms of Palestinian terror in the 15 years from 1967 to the invasion of Lebanon in June 1982. But Israel's massive reprisals against the Palestinians in southern Lebanon have killed thousands and displaced hundreds of thousands of the indigenous Shia population, bringing a whole new cast of actors into the conflict.

Today, thoroughly aroused and strengthened by international links with Damascus and Tehran, the Shiites cannot be contained as easily as the Palestinians were. . .

Arab governments and community leaders are themselves deeply alarmed by these developments. In Lebanon, but not only there, the initiative is passing to shadowy groups who feed on the grievances and the anger of a vast popular base.

The writer covers Arab affairs for The Observer in London. He contributed this comment to the International Herald Tribune.

Lebanon: France Lowers Its Sights in Frustration

By Dominique Moïsi

PARIS — As the power of President Amin Gemayel evaporates, significant differences are emerging between France and the United States over Lebanon.

Although troops from the two countries have worked and died together in Beirut, French and American solutions to the crisis differ. The French advocate a United Nations force to replace the multinational peacekeepers. They do this partly to retain some dignity and credibility on their way out, but also as a calculated gamble vis-à-vis Moscow.

Washington has given ambivalent signals about accepting a new UN force, since it would implicitly favor the Soviet position in the region.

For the Reagan administration, the Lebanon mudpit is part of the global East-West confrontation: What is at stake is not so much the future of Lebanon as the spread of Soviet influence in the region. For the French, Lebanon represents a strictly regional conflict: What is at stake is not superpower credibility but historical responsibility. This reasoning is reinforced by France's historical ties to its former mandate.

These differences help explain France's ardent quest for diplomatic alternatives to what have proved to be military non-solutions. For Paris, the best device to ensure what French officials describe as a withdrawal "with panache" is the replacement of a multinational force by a UN force. The French are not seeking to reintroduce the Soviet Union into regional power calculations; rather, they believe that no realistic solution can be found without Soviet cooperation.

In the French view, it may be time to return to the situation of shared superpower influence that prevailed in 1977 at the time of the Vance-Gromyko dialogue on the Middle East, and before Anwar Sadat's historic trip to Jerusalem.

France's wager starts with the assumption that the Soviet Union is willing to play a positive role in the Middle East in exchange for recognition that it has a "legitimate right" to a diplomatic presence in the region.

The Soviet Union has already benefited from the vacillation of U.S. policy in the Middle East, just as the United States benefited in the Euromissile quarrel from Moscow's blunders — ironic confirmation that in the superpower confrontation, each side's gains are mainly the product of the other's losses.

But while the Soviet presence might be necessary to ratify any regional solution, it could also be a mistake to bring the Russians in too soon and thus allow them to block crucial negotiations.

Meanwhile, French diplomacy in the Middle East is characterized by a growing sense of resignation. The fear of a spread of Islamic militancy, linked to disillusion with the Gemayel government, has reduced French expectations in the region.

A policy of increased military presence is no longer a valid option for the Western powers. The Israelis, frustrated by Lebanese Christian behavior, are unwilling to do the Americans' bidding and serve as the West's gendarmes, even if they are willing to deter some Syrian-led actions.

The West has fewer and fewer alternatives in the region. Recognition of a de facto domination of Lebanon by Syria is perceived by many as a lesser evil than the continuation of a destabilizing civil war and a de facto partition of Lebanon. In such a context, the identity of the man in charge in Beirut matters little, given that the real decisions are made in Damascus. It could even be Amin Gemayel.

The paradox today is that the French, who still have troops in Beirut, are more willing to leave Lebanon than the Americans, whose forces are being placed on ships.

The writer is associate director of the Institut Français des Relations Internationales. He contributed this article to the International Herald Tribune.

The Others May Not Be All Wrong

By David S. Broder

CONCORD, New Hampshire — There is a split-screen quality to the political dialogue at this time of the year that is vexing but inevitable. The spokesmen for the opposing parties are not so much debating as they are talking past one another.

I experienced something akin to culture shock the other evening here when I heard Vice President George Bush make his first campaign speech of the year. After weeks of having my ears assailed by Democratic rhetoric, it was like moving to another world — like going through the looking glass. Issues that had been very large in the Democratic speeches became insignificant in the Republican world. Issues that had not been there suddenly loomed very large.

The Democrats had all been talking about the "tragedy" in Lebanon, the failure of U.S. policy and its consequences in the Middle East. Mr. Bush dismissed that subject, saying airily, "It's not the end of the world."

The Democrats, in all the speeches I had heard, had said nothing about the decline of inflation. Mr. Bush dwelled lovingly on that topic, pointing out that "in the last year of the Carter-Mondale administration, inflation was running at 12.5 percent. Today it's down to 3.6 percent."

Democrats focused on budget deficits, saying Mr. Reagan is adding more red ink to the ledgers than all previous presidents combined.

When Mr. Bush was asked about the deficits, all he said was that Richard Wirthlin's polls for the Reagan-Bush campaign showed that the public blames Congress more than the president by a 3-to-1 margin. "It may not be right," he said cheerfully, "but that's what the people say."

What Mr. Bush wanted to talk about was the change in the national mood that has occurred during the Reagan presidency. Mr. Reagan, he said, "has restored America's confidence and respect." He quoted long passages from Jimmy Carter's 1979 "malaise" speech, in which Mr. Carter spoke of "a growing disrespect" for a system of government "that seems incapable of action."

Obviously, we are not going to go from now to November with the Democrats forgetting the heritage of Jimmy Carter and high inflation, or the Republicans brushing off Lebanon and the deficits as no big deal.

But it would be useful to ask the Democratic contenders what policy change of President Reagan's they consider most valuable to carry over into their presidency. It would be equally interesting to ask Mr. Reagan what policy of his predecessor he has found it most useful to emulate.

Those questions highlight a fact of life that political campaigns, by their very nature, tend to disguise: There is always a price for change.

It would be useful to know if any of the Democrats are willing to admit that there might be a lesson in the success Mr. Reagan has achieved in curbing inflation and in lifting the mood of the nation. It would be interesting to know if Mr. Reagan is ready to admit that Mr. Carter set a standard for Middle East diplomacy or that his budgets were a better example of fiscal discipline than his own.

And it would be useful to remind voters, early in this election year, of the cost to the country of changing presidents and parties and indulging each new occupant of the White House in the conceit that he must pretend to change everything his predecessor has put into place.

A reminder of the folly of this attitude came from an unexpected source, Senator Edward M. Kennedy. In a recent lecture at Kansas State University, the Massachusetts Democrat talked about the way in which foreign and domestic policy becomes "the pawn of politics" in a presidential election year. "Even the most fundamental issue . . . the threat of nuclear war, has become a hostage of political tactics," he said.

"In 1976 the Democratic nominee promised a better arms control agreement than the one already negotiated by President Ford. In 1980 the Republican nominee promised a better agreement than the one already negotiated by President Carter. The result so far is no agreement."

America has to do better than that. And one way to begin is to get both parties to admit that the other side may have a point.

The Washington Post.

LETTERS TO THE EDITOR

Woe to the Survivor

Regarding "Researchers Decide A-Bomb Is Good for You" (Feb. 14):

The "bomb" is good for us? I suppose the massive trauma of a nuclear holocaust would be great, as long as no one was left out. One survivor would *ruin the unity*.

In the meantime, we remain unified in fear and faced with the threat of annihilation. The mobilization for war does the same synaptic trick. It binds people together.

We might ask the survivors of Hiroshima how it feels; they are the pariahs of their society.

Bound by the bomb? No thanks. I find plenty of unity in life.

GREGORY BERGLUND.
Meyreuil, France.

Jews and Palestinians

As an American Jew I would like to thank Anthony Lewis for his courageous writings on the Middle East, and especially for exposing the irresponsibility, if not the insanity, of the Reagan administration's policy.

I also wish to convey my respect for Walid Khalidi, who so eloquently expresses the longing of his fellow Palestinians for justice, peace, and a state of their own.

It is one of the tragic ironies of history that an oppressed, persecuted, homeless Semitic people has oppressed, persecuted and driven into diaspora another Semitic people.

Among Jews in America, Israel and elsewhere, the realization is growing that rivers of blood have been spilled in the name of territorial expansion and prevention of national liberation. If further bloodletting and destruction are to be avoided, conflict will have to be settled at the negotiating table by all parties concerned, including the PLO.

BESS BROTSKY.
Zurich.

FDR's Health at Yalta

In response to the opinion column "Politics and Age: Can Reagan Survive Five More Years?" (Feb. 6) by Robert G. Kaiser:

If Franklin Roosevelt had not been physically debilitated at the time of the Yalta conference, the Allies might have been able to avoid the geopolitical confrontation that threatens us constantly with another conflict now.

JAMES PRICE.
Gstaad, Switzerland.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Bear Was Drugged

Dale Russakoff's feature article, "The Grizzly" (*Jan. 3*), represents the bureaucratic side of the issue, defending continued manipulation of America's wildlife. He ignores the fact that federally funded wildlife biologists are drugging grizzly bears with one of the most dangerous mind-altering drugs, phencyclidine — in drug lingo, PCP or "angel dust." The grizzly of Mr. Russakoff's article, which killed and ate the man near my home in Montana last June, had been injected at least 11 times with PCP.

As described in my articles in the New York Times (Nov. 27, 1983) and the Denver Post (December 1983), PCP acts as a depressant on the central nervous system, frequently inducing violent human reactions. At times, without warning, it fills users with irrational feelings of power causing them to attack people of obviously superior strength.

PEGGY LUCAS BOND.
Malaga, Spain.

ARTS / LEISURE

Schlöndorff's Way With Proust's Swann

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Nicole Stéphane is a courageous woman of indefatigable determination. Twenty-two years ago she bought the film rights to "Remembrance of Things Past" from Proust's niece and literary executor, and for 23 years she looked for financing for the project.

Though many thought the transferring of Proust to film seemed as futile and as silly a transaction as making a movie montage of Leonardo's "Last Supper," some ambitious directors were intrigued.

The late Luchino Visconti prepared a scenario of the novel's "Sodom and Gomorrah" section and announced that its cast would include Greta Garbo as the Duchesse de Guermantes, Laurence Olivier as the Baron Charlus and Alain Delon as Proust, but he was unable to raise enough money. Then Joseph Losey volunteered, and Harold Pinter was engaged to write a script (which he did) and again no company would back the undertaking.

Last year the untiring Madame Stéphane succeeded in arranging a deal. A French-German production was organized under the Gaumont banner and with the French Ministry of Culture participating, and oow — with "Un Amour de Swann" (Swann in Love) — the Proust chronicle, or at least part of it, makes its screen debut.

A German, Volker Schlöndorff, remembered for his "Tin Drum," directed, while Peter Brook, Jean-Claude Carrière and Marie-Hélène Estienne collaborated on the adaptation of "Swann's Way." It tells the story of Swann, a snobbish dandy who lives on the outskirts of Parisian aristocratic circles in the 1890s, and of his marriage to a demimoodaine, which exclndes him from the great houses. The center of the screenplay is his frantic pursuit of the flighty lady and the agonies of jealousy he suffers.

The casting is international — at least at the top. The English actor Jeremy Irons is the bapless Swann. With his sensitive face and languid manner be resembles photographs of Proust. This impression is increased by the opening, in which be is discovered, pale, wan and sickly, scribbling notes in his bedroom.

Ornella Muti ornaments ber scenes as Odette with her striking beauty, but the most lovely and amusing performance is that of Alain Delon in florid makeup as the haughty Baron Charlus, a bravura piece of caricature, alert and comic. The solemn proceedings perk up with his every appearance.

The production is of pictorial and atmospheric magnificeoce, a gorgeous pageant of Paris at the turn of the century, with opera nights, children at play in the sunlit Tuileries gardens, Swann's midnight carriage chase after the elusive Odette, social receptions, supper parties, haut monde tittle-tattle and military parades all captured with the pathos of distance by Sven Nykvist's cameras. Visually it is a film of high distinction. As the oumber of regular filmgoers who are acquainted with "A la Recherche du Temps Perdu" must be infinitesimal, what is not there will oot be missed. This is postcard Proust, a brilliant collection of lovely visions.

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"Le Bon plaisir" is Françoise Giroud's screen version of her novel, a sentimental tale gushing with mother love and a father trying to gain his little son's affection. Yet its premise poses a curious question. Would a French president's career be damaged if it were discovered that he, a married man, had fathered an illegitimate child? This seems unlikely, but the Giroud president worries about it for two hours. The Giroud script, despite its modern setting, echoes Victorian weepers about fatherless children and brave fallen women.

Catherine Deneuve is the woman of fortitude and Jean-Louis Trintignant is the president troubled by his conscience. Michel Serrualt, a superlative comedian, is wasted in a secondary role as the minister of the interior and Michel Auclair is the blackmailing villain. There is an enchanting bit by Matthew Pillsbury as the boy, and Francis Girod's directioo supplies the bokum with a posh background of political life at the top.

Jeremy Irons (Swann) and Ornella Muti (Odette) in "Un Amour de Swann."

73 Photos of G.B. Shaw Are Found in Minsk

The Associated Press

MOSCOW — Seventy-three photographs of George Bernard Shaw have been found by workers repairing an old building in Minsk, Tass reports.

The agency said that the photographers were unknown but that the pictures, more than 50 years old, were stamped by the photo agencies Wide World Photos and Press Portrait Bureau. They were turned over to the Byelorussian Museum of Literature and Art.

'Tom and Viv': The Early Eliot

By Sheridan Morley
International Herald Tribune

LONDON — At the Royal Court, Michael Hastings's "Tom and Viv" is a spare, elegant and enthralling account of the wasteland of T.S. Eliot's first marriage, to the apparently loony Vivienne Haigh Wood. Here, on the face of it, is the play with everything: Bloomsbury, Roaring '20s, aristocracy (the Haigh Woods) in decay, feminism, young Jamesian American come to Europe in search, if oot of Aspern papers, then at least of fame and fortune — and besides, he was the man who went on to write "Cats."

Hastings has carefully avoided most of the more obvious pitfalls. Nobody here is much afraid of Virginia Woolf and we never even get to see Viv pouring hot chocolate through the Fabers' mailbox in one of the great poetic gestures of the 20th century. Instead, we get a wry, loving and very touching play about a young pre-fame American poet coming to Europe in search of just about everything and finding himself csught up in the attic dust of an old English family stifling in the cobwebs of a lost world. Tom

THE LONDON STAGE

Wilkinson wooderfully suggests the early Eliot as an ungainly, gangling figure wracked by the guilt of his ambition and his inability to deal with the increasingly dotty Viv, but this is really her evening and Julie Covington makes it an unmissable treat.

Though the play brings us to 1947 with medical explanations of Viv's hormonal imbalance, that is in a sense a postscript to a 1920s tragedy. Hastings has written the story of a family: Viv's wooderfully eccentric brother (David Haig) forever pitying Tom for having "a wonky squaw," and her parents (Margaret Tyzack and Nicholas Selby in rich Edwardian form) are as close to the heart of this play as Eliot himself.

□

As lost playwrights go, Philip King seems to have been more effectively mislaid than most: In a long life (1904-79) he wrote at least two expert farces and, 30 years before Michael Frayo's "Noises Off," wrote the definitive backstage comedy about a provincial theater company in total comic disarray ("On Monday Next"). Yet Kiog somehow oever quite achieved the distinctioo that the British have accorded to Ben Travers and Alan Ayckbourn or the French to Feydeau. Looking again at his best and most successful play, "See How They Run," now in a welcome revival by Ray Cooney's Theatre of Comedy company at the Shaftesbury, it is oot hard to see why.

King oever cared much about character; he was the total stage manager, a craftsman who put his people oo the stage, gave them rough-and-ready labels (confused vicar, German prisoner, pompous bishop, drunken neighbor) and then left his players to get on with the creation of them while he provided an obstacle course of furniture, doorways and mistaken identites for them to negotiate.

King thus belongs (like Cooney and like Vernon Sylvaine) at the head of a second division of farce writers, who depend very largely on plotting and playing rather than actual writing, and this creates a curious split in Cooney's present production. On one side of the stage we have a group of players — led by Maureen Lipman as the drunken oeighbor and Christopher Timothy as the soldier desperate to get back ioto his trousers — who go for a kind of manic truth io what they are playing and are in consequence hilarious. On the other side is a team led by Michael Denison, Derek Nimmo and Royce Mills as assorted bemused clerics who come on stage determined to be funny at all costs, and are accordingly much harder to laugh at or with. For Denisoo not to get, on the first night at any rate, a roar of laughter on the "Arrest most of these people" line that the entire evening has been building toward suggests that, stylistically, something has gone a bit wrong with Cooney's otherwise wonderfully agile production.

Yet it remains well worth a look, oot only for the perfect mechanics of its plotting and the unexpectedly rubbery legs of Lipman but for the reminder that Coooey at the Shaftesbury (like Finney at the Riverside) has a company of players that would be the envy of any subsidized house in the land.

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To inaugurate a welcome oew adult management at the Arts, Pam Gems's "Loving Women" is a comedy of urban despair that sets out to explain how the 1970s became the 1980s by following the lives of three characters from 1973 to today through fashions in clothes, language, wall posters and sex. Frank (David Beames) is a teacher whom we first meet under some bedclothes having an early midlife crisis; his girlfriend, Susannah (Marion Bailey), unwisely imports a local hairdresser (Gwyneth Strong) to nurse him back to health, only to find herself dispossessed while the hairdresser goes oo to become wife, mother and total '80s achiever.

Esseotially Gems's conclusioo seems to be that where once consciousnesses were raised oow only salaries are, and still not enough. Along the way we get some good insights into London life.

Giordano's 'Andrea Chenier' Revived in London

By Henry Pleasants
International Herald Tribune

LONDON — Umberto Giordano's "Andrea Chenier" is back in the repertoire of the Royal Opera, Covent Garden, after an absence of 53 years, and thereby hangs a tale, or at least a curiosity.

"Andrea Chenier," set in the Paris of the French Revolution, and based on the life and execution of a French poet, occupies an odd place in or out of the hearts of opera lovers. It is a singers' opera, esteemed and cherished by those for whom opera is, above all else, full-throated sioging, preferably uninhibitedly Italianate, but disdained by those of a more intellectual turn of mind, including most British and central European music critics.

Thus, while the opera has gooe unperformed and pretty much unlamented at Covent Garden for more than half a century, across the Atlantic, in cities with large Italian populations, it has never been long out of the repertoire. It was a staple at the Met from 1921 to 1933 and again from 1954 to 1966, and has been warmly welcomed, too, in Chicago and elsewhere.

In discussions here of the new Royal Opera production, essentially that of Michael Hampe for Cologne, and centered oo the Andrea Chenier of José Carreras, it has been referred to repeatedly as a "tenor opera," even by Rosalind Plowright, the Maddalena, in an interview. Those fortunate enough to have heard Met performances by Gigli, Ruffo and Ponselle, or by Lauri-Volpi, Rethberg and de Luca, know that it is oo such thing. Zinka Milanov even chose it for her Met farewell on April 13, 1966.

This oew production, unfortunately, does little to disabuse the uninitiated. It is Carreras's show from the "Improvviso" of Act I to the "Un bel di" of Act IV. He was in exultant voice oo opening night, and brought the house down with as gloriously defiaot an "Improvviso" as can be heard from any tenor in this day and age. He may not quite erase memories of Gigli, Lauri-Volpi, Pertile, Martinelli and de Muro, but be evoked them, and that is high praise.

Plowright rose gallantly, sometimes even recklessly, to the formidable challenges of Maddalena's "La mamma morta" and the high-lying duet with Chenier as they prepare for the guillotine, but hers is oot the Maddalena of Muzio, Ponselle and Milanov. She's too English. Nor does Bernd Weikl, splendid artist that he is, have the sumptuous Italian baritone that made the ambivalent servant-revolutionary leader Gerard a favorite role for Ruffo, Danise, de Luca and Basiola at the Met. He is, after all, a Viennese.

The productioo, designed by Ezio Frigerio and costumed by Franca Squarciapino, is essentially traditional, which is as it should be, with the Act III tribunal scene especially effective, and it was admirably conducted by the Welsh National Opera's Richard Armstrong. It's nice to have it back, even as the "tenor opera" that it wasn't in vocally richer times.

The next performance of "Andrea Chenier" will be given Feb. 25.

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The only other important oew production of the oew year so far is Elijah Moshinsky's "The Mastersingers of Nuremberg" for the English National Opera at the Coliseum. It, too, is esseotially traditional, aside from advancing the action from the 16th century to the 17th, and costumiog it in a style more Dutch than Deutsch, but parting from tradition in details, some of them important and oo the whole ill-advised.

The principal deviation is in the representation of Hans Sachs, sung for the first time by the Welsh bass Gwynne Howell, well and favorably known to London opera-goers as the Royal Opera's Pimen, Grand Inquisitor, King Marke, Prince Gremin, etc. Moshinsky's purpose would seem to have been to demythologize Sachs, so to speak, cutting him down to size and presenting him as an ordinary sort of fellow, and rather too young to have been a widower old enough to be Eva's father.

It doesn't work. This is not a cobbler who would have been so revered by his fellow burghers. Nor does Howell's voice, mellow and rich as it is, have the weight and grain to penetrate and dominate Wagner's instrumentation, and he is rather too sparing in its use. This is ooted with regret, for he has obviously put a lot of thought and hard work into this most exacting of bass-baritooe roles, as can be said, too, of Alan Opie's more successful Beckmesser.

There are other shortcomings in this production: a wooden, if decently sung, Walther by Kenneth Wonllam; a too obviously calculating Eva by Janice Cairns and a too bouncy David from an otherwise admirable Graham Clark. There is too much furniture-moving in Act I, an Act II set singularly and inexcusably devoid of any suggestion of a neighborhood, and a finale more carnival than ritual. There are splendid cameos in the supporting roles, as is true, too, of "Andrea Chenier."

Of the two productions, it might be said that the one is insufficiently Italian, the other insufficiently German. And with the latter there is, inevitably, the problem of "Die Meistersinger" in English. Not all of Wagner's subjunctive-laden archaic German is intelligible in any performance, but at least it sounds right. In English it doesn't.

Nor does much of the English come across. There were those at the Coliseum who followed the libretto with a pocket flashlight, as well they might. But that is hardly the way to get the most from anything as vividly theatrical as "Die Meistersinger."

Further performances of "The Mastersingers of Nuremberg" Feb. 23 and 28 and March 3 and 8.

The Associated Press

VISIT TO JAKARTA — Prince Norodom Sihanouk, left, head of Cambodia's anti-Vietnam resistance forces coalition, and his wife, Monique, are accompanied by President Suharto of Indonesia to the state guest house in Jakarta. Prince Sihanouk arrived Monday for a 10-day unofficial visit at the invitation of President Suharto.

In Spain, Women Make Major Gains Against Taboos, Masculine Barriers

By Tom Burns
Washington Post Service

MADRID — There used to be a quip in Spain that reflected as much a macho-oriented society as it did the overbearing presence of strict Roman Catholic morality: "It's not a sin to go to bed with a Spanish girl; it's a miracle."

Few people would say that now. Of all the sociological changes brought about in Spain's post-Franco era, perhaps none has been as dramatic as that of the status of women.

It was not until 1976, the year after Franco died, for example, that the "marital license" was struck from the statute books. Under the law, a woman had to produce the written consent of her husband before she could sign a legal contract.

A recent survey published by the Madrid consumer magazine Ciudadano shows that the lifestyle and attitudes of Spanish women are now comparable to those of women in other Western societies.

An obvious indicator of accelerated change concerns contraception, banned throughout the Franco era. According to the survey, 41 percent of women polled in 1976 believed that the church "had the final word on family planning."

The bans on the sale of contraceptives were lifted in 1978, and the first state-run family planning centers opened two years later. A government poll last year established that 59 percent of Spanish women used some form of contraception.

Ciudadano ooted that the young Spanish woman has "broken down taboos and traditions, overcome masculine barriers ... and won freedoms that were denied to her a generation ago."

The major catalyst for change has been education. Twenty-five years ago, 14 percent of Spanish women were illiterate, a figure that was double that of Spanish men. Only 13,778 were receiving a college education.

The illiteracy figure had dropped by 3 percentage points in 1970 and college matriculation by women had almost quadrupled. In 1983, women represented 30 percent of the campus population. This proportion is continually rising as the effects of compulsory schooling until the age of 16, introduced 10 years ago, are felt.

In Spain, the changing role of women is sharply outlined by the drop in marriages and births. In 1982 there were 31 percent fewer marriages in Spain than in 1975.

The demographic slowdown has caused increasing concern to planners. Gone are the days when there was an average of 3.4 children per woman.

Spain's birthrate has dropped faster than that of any other West European country, prompting an acute drop in demand for the vast maternity clinics built over the past 25 years. The birthrate fell by one third from 1961 to 1981, from 21 births per 1,000 populatioo to 14 per 1,000, with the steepest decline coming in the past five years.

While women lag well behind Spanish men in the labor market, there has been a marked improvement in their status. In 1959, only 10,000 women of a total female population of nearly 16 million held managerial posts.

Eighteen women were elected to the Cortes, or parliament, on the Socialist ticket in the 1982 elections — a low figure by absolute standards but nevertheless the highest proportion of women in the history of the Cortes.

In the administration of Prime Minister Felipe González, women hold such key jobs as the secretary of state posts for regional policy and for universities; the posts of director general for energy policy, for primary schooling and for tourism; and the posts of chief policy strategists in the ministries of interior and the economy.

Still, in the Spanish countryside, women maintain their traditional peasant-society roles. They work in the fields, run the home, wait on the men at the table and eat separately.

Pakistan Fires Airline Pilots

Reuters

KARACHI, Pakistan — Pakistan's state-run airline, Pakistan International Airlines, Tuesday dismissed five senior pilots for "spreading unfounded rumors and creating alarm and despondency."

9 Facing Trial In 5 Murders In Philippines

By Robert Trumbull
New York Times Service

MANILA — Two foreigo priests, a Filipino priest and six Roman Catholic lay workers are scheduled to go on trial Thursday on charges of conspiring with Communist guerrillas to kill a Philippine mayor and four of his aides.

The case has focused international attentioo on Bacolod, a sugar producing town on Negros Island in the central Philippines.

The defendants are the Rev. Brian Gore, 40, of Perth, Australia, the Rev. Niall O'Brien, 43, of Dublin, the Rev. Vicente Salangan, 40, and six Filipino lay workers. All nine had been working among poor plantation laborers on Negros.

Prosecutors say the nine defendants conspired with the Communist New People's Army oo Negros in the ambush murder of Pablo Sola, the mayor of Kabankalan, a town near Bacolod, and four of the mayor's aides two years ago. Earlier, the mayor had been named as a suspect in the slayings of seven workers on his sugar plantation.

Father Gore and the others accused of conspiracy in the slaying of the mayor and his aides have said they were framed and that their efforts to improve the lot of the sugar workers on Negros had antagonized the island's authorities. The case has been widely publicized in Australia and Ireland.

President Ferdinand E. Marcos had earlier intervened in the case, ordering that the three priests be placed under bouse arrest instead of going to jail with the accused lay workers. However, after a period in military guest quarters, the priests insisted on joining the six co-defendants in the town jail.

Philippine officials said the case was expected to be discussed with the Australian foreign minister, William G. Hayden, who is to visit Manila this week.

Study Blames Comets For Dinosaur Extinction

By Lee Dembart
Los Angeles Times Service

LOS ANGELES — A group of scientists at the University of California, at Berkeley oear San Francisco, has found evidence that they say proves conclusively that the dinosaurs were wiped out when comets hit the Earth about 65 million years ago, resulting in mooths of cold and darkness.

The new evidence comes from an analysis of the ages of large impact craters on Earth. The craters appear to have been formed every 28 million years, the same frequency that mass extinctions have occurred, the scientists say.

"The craters on the Earth oow are conclusively tied in to mass extinctions," Richard A. Muller, a physicist and leader of the team, said Monday.

"If there was a cootroversy before as to whether or not asteroids are responsible for mass extinctions, this just closes the book," he said. "There are periodic mass extinctions, and they occur with the same period and at the same time as large comets impact on the Earth."

What happened to the dinosaurs is one of the mysteries of science. After a period of 140 million years, they died out suddenly about 65 million years ago.

Some credence has been given to the theory that a large asteroid collided with the planet, kicking up a cloud of dust that hung in the atmosphere for months, blocking sunlight, preventing photosynthesis; the dinosaurs then succumbed to cold and hunger.

The theory has been advanced by Luis Alvarez, a Nobel laureate, and his son, Walter Alvarez, a geologist. The younger Alvarez is one of the scientists involved in the latest work at Berkeley.

Several months ago, two paleontolgists at the University of Chicago, David M. Raup and John Sepkoski, thought they saw a periodicity throughout history, one every 26 million years or so, in mass extinctions.

Based oo that work, Mr. Muller, at Berkeley, sought an astrooomical mechanism. Collaborating with Piet Hut, a physicist at the Institute for Advanced Study at Princeton, and Marc Davis, a Berkeley astronomer, he came up with a model for a "killer star" that was, in fact, a binary star with the sun.

This star, a small, cool dwarf, has an elliptical orbit that takes it as far as 2.4 light years from the sun, where a comet cloud containing 100 billion comets is known to exist. As it passes through the cloud, it picks up some of the comets, which it flings into the inner solar system as it passes by every 28 million years.

Walter Alvarez thought that if there were such periodic comet showers, they could be the dominant contributors to the craters on Earth. About 88 of these impact craters have been discovered, ranging from 10 miles (16 kilometers) to 100 miles (160 kilometers) across.

"These craters have in them the same periodic structure," Mr. Muller said. "The largest of these craters, the data show, occur roughly every 28 million years."

Since the extinction of the dinosaurs, there have been two mass extinctions, for which Mr. Raup and Mr. Sepkoski found evidence among fossils in the seabed. One occurred 37 million years ago, and the other about 14 million years ago, both consistent with the cyclical theory of extinctions.

If the 28-million-year period of the killer star is correct, it should sweep by again with its barrage of comets in about 14 million years.

Venezuelan Envoy Wounded

United Press International

GEORGETOWN, Guyana — Sadio Garavini, Venezuela's ambassador to Guyana, was seriously injured by a gunman here Monday in an attack that also wounded his wife, police said Tuesday.

INSIGHTS

Clues in Kuwait Attack Help Unravel Roots of Mideast Terrorist Chain

By Richard Harwood

Washington Post Service

KUWAIT — In the brutal trail of terrorism in the Middle East, a human fingertip recovered from the wreckage of the American Embassy in Kuwait provided a clue which leads back to the roots of modern religious fanaticism in the region.

The piece of flesh was from the disintegrated body of a young Arab who sacrificed himself in the murderous truck-bomb attack on the embassy on Dec. 12.

His fingerprint revealed his identity: Raad Meftel Ajeel. In turn, it led to organizations and movements in Iran, Iraq and Lebanon.

Mr. Ajeel, who also used the name Badran, was a 25-year-old driver for the Sultan trading company. He arrived in Kuwait last September with an Iranian passport and a recommendation for a work permit.

Within a month, he was involved in a plot to assault, in one day's action, the embassy and seven other targets: the headquarters building of Raytheon Co., a U.S. corporation installing a Hawk missile system in Kuwait; an apartment house occupied by Raytheon employees; the control tower at the international airport; the Kuwait Ministry of Electricity and Water; the Kuwait Passport Control office; the French Embassy and a major petrochemical and refining complex at the port of Shuaiba.

Bombers' Aims Unclear

The instruments of destruction were car and truck bombs of the type used for major terrorist actions in Lebanon last year.

What Mr. Ajeel and his comrades had in mind is something of a mystery. According to evidence obtained later, they had brought into Kuwait by boat, probably from Iran, stocks of explosives for the bombings.

But they had also brought in large stores of more conventional weapons. These included rocket-launched grenades, machine guns, rifles, pistols and detonators of Soviet, West European and U.S. manufacture, all of which were hidden in safe houses in three neighborhoods south of the city.

Were a series of assassinations, or a coup, planned for this oil state on the Gulf?

Negative answers to these questions have been forthcoming since the coordinated bombing attacks of Dec. 12 and the arrest of numerous suspects who, according to Kuwaiti authorities, confessed in writing and on tape that they collaborated with Mr. Ajeel.

Reports from the CIA and Israeli intelligence authorities establish that final approval for the operation came directly from a message carried to Kuwait by a courier from Iran and that planning for it took place in Switzerland and the Bekaa Valley of Lebanon.

Links to Outlawed Iraqi Group

Of equal significance to those unraveling the terrorist chain in the Middle East, however, are the political and religious roots of Mr. Ajeel and his comrades.

Of the 22 men directly involved in the arms smuggling and bombings, 18 were native-born Iraqis, all members of Dawa, an outlawed Iraqi religious opposition group now working in exile out of Iran.

Three were Lebanese, two of whom were Shiite Moslems who have been linked to Hussein Musavi, who, intelligence agencies suspect, was connected to the bombings of the U.S. Marine complex and the French military headquarters in Beirut last Oct. 23. The third Lebanese was Elias Fuad Saib, 23, a Christian mercenary brought into the operation to wire the bombs. Four of the suspects are still being sought.

Dawa leads back to Sheikh Mohammed Hussein Fadlallah, the militant Lebanese Shiite leader who has been implicated, despite his denials, in the U.S. Marine and French bombings in Beirut, to his lieutenant, Hussein Musavi, and to the Hakim brothers in Iran and their connections to Middle East terrorism.

Raad Ajeel's fingertip helped open the window on all this.

The story began in Najaf, Iraq, in the 1960s. Najaf is a holy city of the Shiite branch of Islam, a center for theological studies and debate. About 10 percent of the world's 400 million Moslems are Shiites.

Khomeini's Exile Home

Najaf in those years was a place of intellectual ferment. Ayatollah Ruhollah Khomeini, Iran's ruler, lived there for 14 years, in exile from the shah's Iran. Sheikh Mohammed was there as a student. Najaf was the home of the chief Shiite theologian, Mohsen Hakim, and of Mr. Hakim's three sons, all of whom are now active in Iran. The holy city was also home to a brilliant young Shiite philosopher and writer, Said Mohammed Baquir Sadr.

Mr. Sadr became one of the chief ideologists of al-Dawa al-Islamiya, the Islamic Call, a fundamentalist religious organization calling for a social revolution.

Dawa's message found fertile ground among the peasant and working class. With the encouragement of some of Mr. Sadr's theological colleagues in Najaf, Dawa evolved into a revolutionary party, fomenting protest against the authorities.

There were disturbances and a repressive response by the Iraqi government. Dawa leaders were executed. Notable theologians in Najaf were harassed and put under surveillance, including Mohsen Hakim and at least one of his sons.

Thousands of Iraqis, the Hakim sons among them, fled to Iran. Sheikh Mohammed returned to Lebanon to begin spreading the new militancy. Ayatollah Khomeini later emerged as the spiritual leader of the Iranian revolution in 1979. He took with him from Najaf his own version of "the Islamic Call" and an abiding hatred of President Saddam Hussein.

Ties to Iran, Syria

Baquir Sadr, whose writings had inspired the Dawa dissidents and left their mark on future militant Shiites, had such stature in Iran by the end of the 1970s that Tehran radio began referring to him as the "Iraqi Khomeini." To the Iraqi president, Mr. Sadr was an intolerable threat to his Marxist-like Ba'ath Arab Socialist government: he aroused the masses too much. Mr. Sadr and his sister, Bint Hudah, were arrested and executed in 1980, along with a number of the theologians of Najaf.

That was the year that Raad Ajeel, the bomber of the U.S. Embassy in Kuwait, and his brother, Saad, were sentenced to death in Iraq. They had been swept up in the Dawa movement and participated in what the Iraqis called "terrorist attacks" such as grenade assaults on police stations.

Saad Ajeel was caught and hanged in Baghdad. His brother escaped to Iran to join the quarter of a million refugees from Iraq, including many Dawa followers who had preceded him. His movements there, if they are known, have not been revealed. But it is reasonable to assume that he came in contact with and was brought under the wing of the Supreme Council of the Iraqi Islamic Revolution, headed by Hojatoleslam Mohammed Baquir Hakim, one of the three brothers from Najaf.

The Supreme Council provides humanitarian assistance to the refugees. But it has other functions, including the recruitment of Iraqi refugees for Ayatollah Khomeini's Revolutionary Guards and, according to the French magazine Jeune Afrique, plays yet another role as a kind of parent organization for four operational terrorist groups. Dawa is one of them.

The council also has links to the Islamic Amal faction in Lebanon, of which Hussein Musavi is the most prominent leader.

The Associated Press

Kuwaiti officials examined destroyed vehicles for clues after a bomb exploded at the French Embassy on Dec. 12.

Whether Baquir Hakim and his Supreme Council recruited Raad Ajeel for the Kuwait operation, sent him to the Qom or Ahwaz training camps in Iran or how he obtained an Iranian passport are elements of his history that have not been made public. CIA intelligence reports indicate that one member of the Hakim family, then residing in Kuwait, was the head of the bombing operation, and that planning for it included Syrian officers, Shiite leaders and Iranian intelligence representatives.

It is characteristic of terrorist operations with obvious state sponsorship that "deniability" safeguards are always built into the planning: the chain of responsibility invariably has missing links. But it is inconceivable that Mr. Ajeel and his comrades were sent off to Kuwait with no training at all, just as it is inconceivable that such an intricate operation was spontaneously mounted out of the industrial neighborhoods of Kuwait.

Planning for Kuwait Attacks

What is known beyond doubt is that Mr. Ajeel and most of his collaborators entered Kuwait from Iran, that the explosives and weapons were shipped in by boat and that the final planning for the Dec. 12 action began in October, the same month the bombing plans for the Marine and French installations in Beirut were completed and carried out.

The 22-man team, according to Kuwaiti and American investigators, was divided into seven cells organized according to the "cutout" principle, which means that the members of each team were isolated from all the other teams; they did not even know one another's names. Planning sessions involving team leaders and the operation's supervisor were held in safe houses in the neighborhoods of Jleeb Shuyoukh, Firdous and Sabah Salem.

Mr. Ajeel's first assignment was to buy or rent the vehicles needed for the Dec. 12 operation. He acquired five Subaru passenger cars, a Subaru van, a Buick passenger car and two trucks, one manufactured by General Motors, the other by Mercedes-Benz.

Other operatives acquired dozens of liquefied petroleum gas tanks, each filled with butane or propane. The tanks were loaded into the mission vehicles and hooked up to large charges of the powerful explosive hexogen, also known as C-4 and RDX, which is used in artillery shells, mines and bombs and for structural demolition. It can generate an explosive force twice as powerful as TNT.

On the night of Dec. 11, seven of the vehicles were parked at the selected targets to be detonated the next morning by timers or remote control devices. The car bombs at the Raytheon business and residential facilities were placed by one of the Lebanese Shiites — Youssef Musavi, 28, thought by intelligence agencies to be a relative of Hussein Musavi. The eighth vehicle, the General Motors truck, was held back for Mr. Ajeel's mission: a direct attack on the U.S. Embassy.

Mr. Ajeel set out from the southern suburbs in the truck, probably about 9 on the morning of Dec. 12.

His route probably took him along Gamal Abdel Nasser Street and then onto the Gulf Road on which the U.S. Embassy is located. Mr. Ajeel turned off the Gulf Road into the residential street on which the embassy entrance is located. At 9:35 A.M. he crashed through the embassy gate, drove into the parking lot and detonated his load 10 feet (three meters) from the embassy's administrative building.

He was, investigators concluded, a genuine kamikaze because he need not have died in the explosion. His lethal load was connected to two detonators. One of them, a safety fuse, would have allowed him 20 minutes to attempt an escape. But he chose the instant detonator which meant he chose instant death.

The car and truck bombs at the other targets were exploded by timers and remote control devices in the 45 minutes after Mr. Ajeel died. The toll from all the explosions was five dead, 87 wounded and severe property damage at some of the sites.

The destruction would have been worse if the Lebanese Christian mercenary had been a more skillful demolitions man. His wiring of the bombs was so amateurish that only 10 of the 45 gas cylinders on Mr. Ajeel's truck exploded. The same defects minimized the power of other bombs that day.

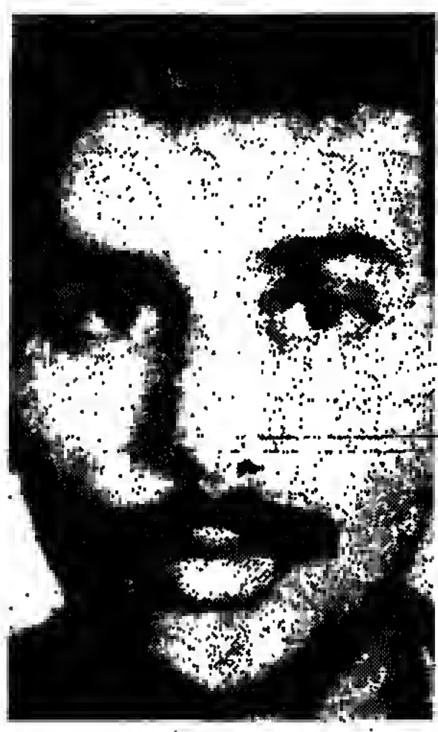
Under Kuwaiti law at the time of the bombings, hanging was the ultimate penalty for such acts. But a new penalty was decreed on Dec. 29: "Limb amputation or death," and "the amputations would be carried out on two limbs simultaneously, severing the left arm and right leg or vice versa."

To risk such punishment, men need motivation. In the case of a few members of the extremist Shiite organizations, such as Dawa and Islamic Amal, both religious and political motivations are involved. Terrorists, especially the unsophisticated, are promised places in paradise as participants in a jihad.

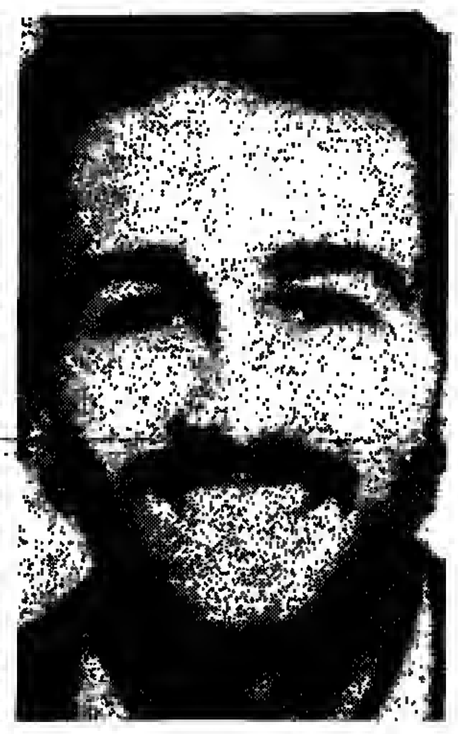
Great political passions are the major forces behind these events — the passion to punish France for siding with Iraq in its war with Iran; the passion to punish the Gulf states for the same offense; the passion to punish America, which Iran calls the Great Satan, for various crimes; the passion to drive the Americans, French, Italians and British out of Lebanon; the passion to wage war on Israel and its benefactors, and the passion to destroy Saddam Hussein in Iraq.

In these political crusades, the fanatical recruits of Dawa and Islamic Amal become terrorist pawns in the larger game of such nations as Syria and Iran. They are moved around from country to country in the name of a jihad, dealing death to strangers — and to themselves.

Raad Meftel Ajeel



Hussein Musavi



Elias Fuad Saib

West Europe Making New Cuts in Social Programs

By James M. Markham

New York Times Service

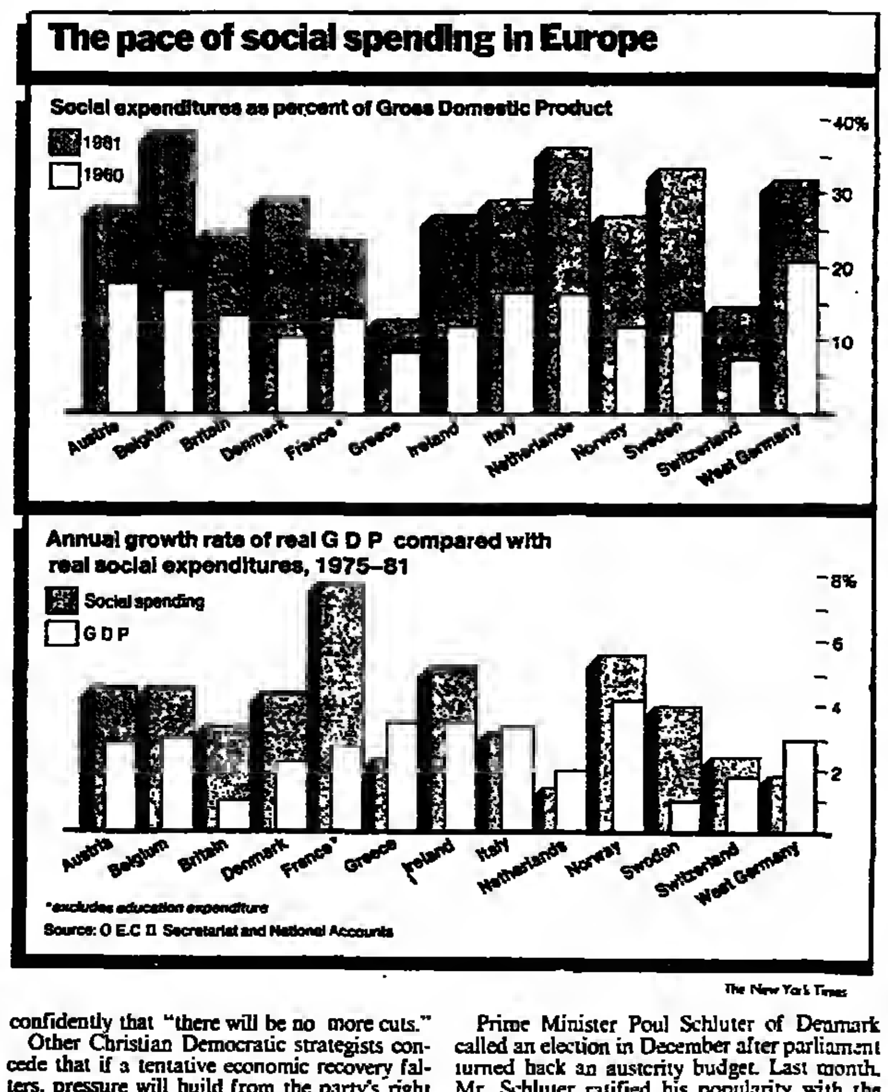
BONN — Hard times in Western Europe have obliged both poor and relatively prosperous countries to make fresh cuts in welfare systems, which are widely perceived as the bedrock of Western Europe's postwar political and social stability. But although regularly described as crisis-ridden, the welfare state has not been dismantled, only pruned.

The surprising thing is that retrenchment did not come sooner. The Organization for Economic Cooperation and Development, which monitors the health of the major industrial nations, reports that between 1960 and 1981 social expenditure in the principal West European economies leaped from 14.5 percent to 26.3 percent of their output of goods and services. (In the United States over the same period, the rise was from 11 percent to 21 percent.) In Western Europe, huge pension increases led the way, accounting for about 40 percent of social outlays; health care, education benefits and unemployment payments were the next biggest items.

The oil price rises of the 1970s were translated into the first cuts in health and educational benefits, which had exploded in the previous decade. But the persistence into the 1980s of low growth and high unemployment — compounded by the drag of aging populations — has put budget-cutters back to work. Conservative governments in Britain and West Germany have set the pace with surprisingly little opposition from the trade unions, which have been weakened by the high unemployment rate.

In its budget-cutting measures, Chancellor Helmut Kohl's center-right coalition has risked offending West German university students, pensioners and expectant mothers. Generous university grants for low-income students must now be repaid, time-off benefits for new mothers have been cut from $268 monthly to $182, and pensioners must now make a 5-percent contribution to what had been free medical insurance.

Indexation changes have brought pensions down 5 percent to 6 percent in real income compared to 1979. Unemployment benefits have been cut for workers without children, too — from 68 percent to 63 percent of total salary in the first year, and from 58 percent to 56 percent in subsequent years. Heinrich Franke, a state secretary in the Labor Ministry, predicted confidently that "there will be no more cuts."



The New York Times

Other Christian Democratic strategists concede that if a tentative economic recovery falters, pressure will build from the party's right wing for drastic welfare reductions. That might turn a prevailing mood of resignation to wrath.

In Britain, a decisive election victory in June has enabled Prime Minister Margaret Thatcher to resume her campaign to streamline the civil service by eliminating 630,000 jobs, or 14 percent of the total. A drive has also been launched to cut 5,000 jobs from the nationalized health service. The brunt of the health spending cuts have fallen on the elderly, the handicapped and the mentally ill, arousing some resistance from medical personnel. Other Thatcher targets are high-spending local authorities in urban and poor areas whose funds must be matched by the national government. Housing benefits and free hot school meals, except those for the poorest, are also being trimmed.

The opposition Labor Party, after its electoral debacle, has muted its criticism of Mrs. Thatcher's piecemeal assaults on the British welfare state. And elsewhere in Europe politicians have found electorates responsive to the need for some sacrifices.

Prime Minister Poul Schluter of Denmark called an election in December after parliament turned back an austerity budget. Last month, Mr. Schluter ratified his popularity with the voters, and this month he squeaked through to a majority when the last votes by mail were counted. In the Netherlands, Prime Minister Ruud Lubbers's center-right coalition was able to withstand sporadic strikes and slowdowns last fall by public sector workers protesting wage reductions.

The Socialist-led governments of France, Italy and Spain have been less rigorous. President François Mitterrand initially thought that a policy of reflation would create jobs and avoid welfare cutbacks, but since last March his government has been forced into an austerity program that has meant new private contributions to social security and restrictions on unemployment benefits. The budget for the costly state hospital system has been diminished.

In Spain, Prime Minister Felipe González learned from the earlier spending policies of the French Socialists and has since proposed increased social security contributions by workers and a startling drop in retirement pensions from 90 percent to 65 percent of salary.

Brazilians Demand Direct Vote in '85

By Alan Riding

New York Times Service

RIO DE JANEIRO — Two words — *diretas ja*, meaning direct elections now — are beginning to disturb the Brazilian military government's plans to step quietly out of office without assuming the risks of full democracy.

The words are waved on banners in street demonstrations, printed on T-shirts sold along Copacabana Beach, proclaimed in freshly painted graffiti and even mentioned in statements by Brazilian bishops.

While willing to hand over power to a civilian administration for the first time since the army seized power in 1964, the government is still insisting that the next president be picked next January by a 686-member electoral college rather than by 55 million voters.

But since the succession rules were revised two years ago to maintain government control over the electoral college, a sharp deterioration in Brazil's economic and political situation has increased the demands for direct elections. Suddenly "diretas ja" has come to dominate all political conversation, as if the words themselves offered a solution to Brazil's crisis.

Perhaps the largest public demonstration in Brazil in 20 years took place Jan. 25 in São Paulo to press for direct elections, with opposition politicians, artists and popular sports commentators addressing a crowd of 250,000 people.

The campaign is expected to end with a march to Brasília in early April, coinciding with a congressional vote on a constitutional amendment proposed by the opposition Brazilian Democratic Movement Party for immediate restoration of direct elections for the presidency. Opinion polls indicate that 90 percent of the electorate favors approval of the amendment.

The administration of the incumbent president, General João Baptista Figueiredo, continues to oppose "diretas ja," but government officials have speculated about approving direct elections in 1990 or reducing the next president's term from six to four or even two years to permit direct elections to be held sooner.

According to Brazilian political commentators, the government's reluctance to approve immediate direct elections stems partly from its fear that a strong civilian administration might hold the armed forces accountable for past abuses of power, as is occurring in Argentina. But the commentators said the government's principal concern was that direct elections might be won by the charismatic governor of the state of Rio de Janeiro, Leonel Brizola.

One irony is that the entire debate is a result of General Figueiredo's decision to accelerate a political liberalization process begun in the mid-1970s by his predecessor, General Ernesto Geisel. In 1979 General Figueiredo won great popularity by decreeing an amnesty for political prisoners and exiles, lifting direct censorship and revoking a law that gave the president sweeping, arbitrary powers.

In direct elections for Congress and state governors in November 1982, the government also accepted important opposition gains, including victories in 10 of 22 state gubernatorial elections and in 244 of 479 congressional districts.

The greatest impetus to the "diretas ja" campaign was provided by General Figueiredo himself, first when he remarked in November that he favored direct elections and again in late December when he publicly renounced any ambition to "coordinate" the selection of the official party's candidate. By seemingly surrendering his "right" to pick his successor, he created a political vacuum and encouraged the belief that the rules could be changed.

Argentine Military in an Uneasy Mood

By Edward Schumacher

New York Times Service

BUENOS AIRES — Weeks of prosecutions and public denunciations of the military's human rights abuses have produced an uneasy mood in the armed forces, according to officers as well as civilians close to the military.

"If this aggression against the armed forces continues," a senior army officer said in an interview, "it is going to provoke a confrontation."

The two-month-old elected government of President Raúl Alfonsín has begun courts-martial of nine former junta members and a police chief on charges of ordering thousands of assassinations and widespread torture in an anti-terrorist campaign in the 1970s.

Citizens aided by human rights groups have also filed more than 30 lawsuits against commanders for the slayings and disappearances of relatives. Former President Reynaldo B. Bignone and several other officers have been indicted and jailed without bail.

[The federal police on Monday arrested a retired admiral, Rubén Chamorro, who is widely accused of having headed a clandestine torture and interrogation center in the 1970s, according to Reuters.]

Retired generals who once commanded fear are taunted and cursed by crowds outside courthouses. When Major General Luciano Menéndez, who is retired and an outspoken hard-liner, was called to appear before a congressional subcommittee for criticizing the prosecutions, several hundred people pelted his car with bricks, breaking the windows.

The military generally respects Mr. Alfonsín and is prepared to abide by the rulings of the courts and court-martial boards, the officers and civilians said. What unsettles the armed forces, they said, is what they see as a campaign by some human rights groups and others to stir up anti-military feelings. They said this was being done by making unproven charges and playing up such emotion-packed evidence of the anti-terrorism campaign as the thousands of bodies being uncovered in unmarked graves.

"Alfonsín is acting thoughtfully for the good of the country," the senior officer said, "but there are subversive elements at work that he cannot control."

The officer spoke in the house of a civilian on the understanding that his name would not be used because of a government ban on political statements by military officers. He said he had spent more than 30 years in uniform, once trained in the United States and commanded a regiment in the anti-terrorist fight.

He cited the possibility of acts of terrorism by underground military groups as possible responses to the anti-military campaign, although he and the others interviewed stressed that no such acts were being considered now. They said the military, which left office in disgrace over the defeat by Britain in the 1982 Falkland Islands war, is intent on professionalizing itself and on serving the new democracy.

In a far-reaching move Feb. 6, Mr. Alfonsín appointed civilian directors over Fabricaciones Militares, ending 50 years of military control of a state industrial complex that is the nation's largest employer. The complex, which includes domestic airlines and produces an extensive array of nonmilitary goods ranging from paint to plow disks, has long been a source of political patronage run by the military.

Mr. Alfonsín also has retired several generals and admirals and appointed democratic loyalists as staff chiefs under civilian secretaries.

Sharply critical of the attacks outside court, Mr. Alfonsín repeated in a recent news conference, "The government will not put up with vengefulness of any kind."

Officers in the three services have said in interviews that the various juntas of the 1970s failed politically by letting corruption and the repression of terrorism get out of hand while becoming too arrogant in power themselves.

But they defended most of the military actions, saying that leftist terrorists brought the country to the brink of disintegration in the mid-1970s with hundreds of assassinations and widespread bombing and kidnapping.

"Someone had to dirty their hands," the senior army officer said, "and we took it to be a national cause. If the methods we used were not the best, perhaps it's because there were no others."

International Herald Tribune
Published With The New York Times and The Washington Post

QATAR

A SPECIAL ECONOMIC REPORT

Bartering Spreads In the Oil Industry

DOHA — Qatar is facing serions difficulties in marketing its oil, and signs of a firming market do not seem to indicate an end to its problems. To overcome the problem, Qatar has resorted to barter.

Instead of receiving payment in cash, foreign companies are getting compensated by the government in oil. Lately, barter deals have started to spread to foreign firms outside the field of oil production, accounting for more than half the country's exports last year. Other members of the Organization of Petroleum Exporting Countries that have done the same under the pressure of the soft oil market include Libya and Nigeria.

Ali M. Jaidah, general manager of the Qatar General Petroleum Corporation, reluctantly confirmed the new trend, saying that the reasons behind it were "marketing difficulties, sometimes technical problems, but basically it is a liquidity issue." The government's growing budget deficit due to lower oil prices and a reduced production quota, he explained, has led to a shortage of funds required to finance government projects.

The reduced revenue, coupled with QGPC's success in carrying out barter deals, have apparently encouraged the company to raise production to the OPEC ceiling of 300,000 barrels a day, sometimes going slightly over that during the last six months of last year. Production averaged 280,000 barrels a day during the first half of the year. Qatar's quota, fixed at a stormy OPEC session a year ago, is the third-lowest in the organization and the smallest number of barrels Qatar has produced in the last 10 years.

The barter system has proved successful, because of the exceptionally bad market conditions, which led to the price crash last year. "When you are owed money, you want to get it regardless of the form; you have no choice," Mr. Jaidah said. He said that the oil involved in the barter deals was evaluated on the basis of the OPEC benchmark price of $29 a barrel.

The QGPC, formed 10 years ago, has gradually taken over control of all oil- and gas-related operations, including exploration, drilling, production, refining, marketing and local distribution of oil, gas and their byproducts.

Taher Hadidi, a senior expert at QGPC, who has witnessed the growth of the organization, said that it has come a long way since foreign

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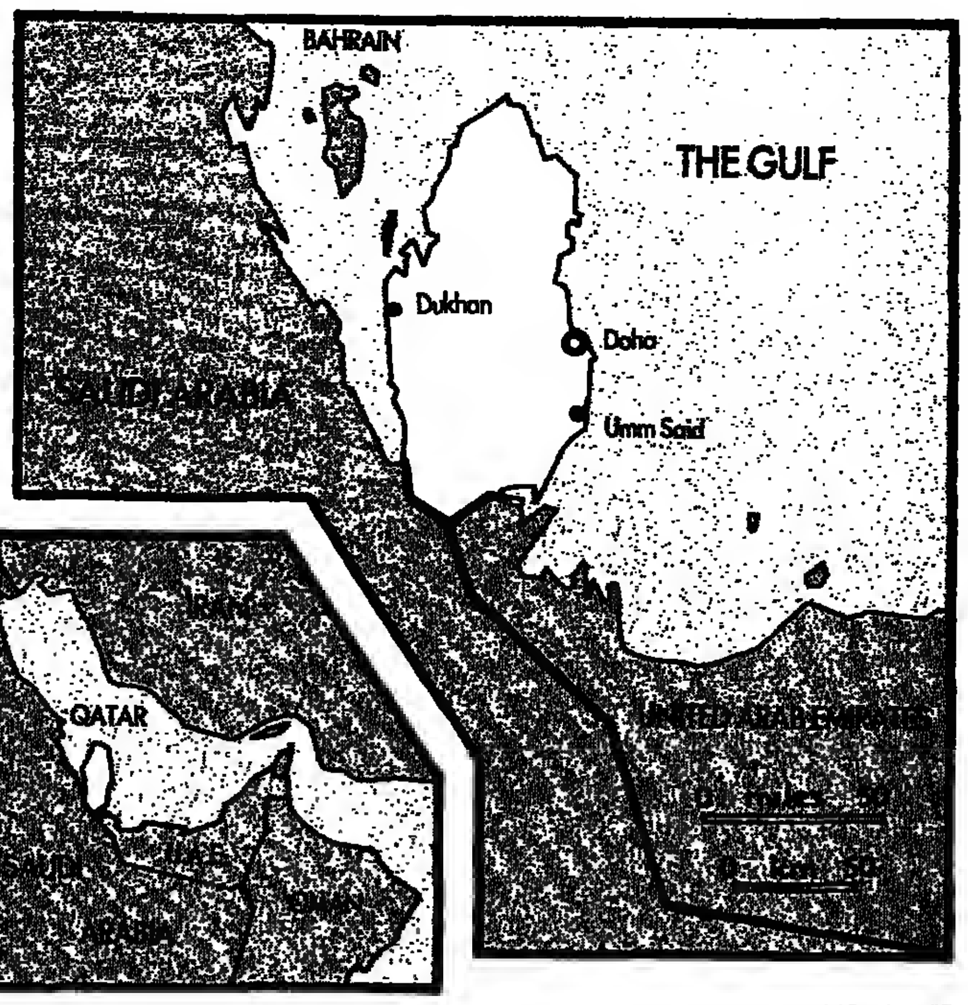
Gas liquefaction plant at Umm Said.



Isabel Curé-Moutet/IHT

After the Boom: Learning to Live With Less Income

By Olfat Tohamy

DOHA — Qatar's economy has successfully overcome the challenge of reduced oil prices with quarterly adjustments to the dwindling revenues. This year represents a further challenge — following last year's drastic curbs — implying that extra effort will have to be made to catch up with development plans.

A number of encouraging factors will help the government recover from the oil-price shock of last year, which weighed heavily on the economy in the second quarter, during which it was virtually stagnant. The restraint characterizing the government's reaction to the sharp fall in oil revenue, which accounts for 80 percent of its income, was reflected last spring by an austere budget that cut public expenditure by more than one-third.

The government's forecast of an unprecendented billion-dollar overall deficit for the current budget now seems to have been excessively pessimistic. By the fourth quarter of the year the gap between the government's expenditure and its earnings narrowed — an achievement due mainly to the slashing of capital expenditure on minor projects and the rationalization of regular current expenses.

Qatar's position on the list of highest per-capita incomes is among the reasons that private consumption has adjusted to a lesser extent to the belt-tightening, entailing a smaller drop in imports. The trade surplus can thus be expected to drop by a quarter from fiscal 1982-1983.

Backed by $15 billion in income-earning foreign assets accumulated after the oil boom, together with reserves untouched since that time, Qatar could maintain its strong international position and avoid seeking help from the Euromarket.

Qatar's high ratings for managing the economy during last year's crisis, however, have been earned at a high cost. The trend of curbing government and public-sector expenditure, going back to the time of sliding oil prices five years ago, has entailed a postponement of heavy but necessary investment in certain areas, including infrastructure facilities, urban development and industry. This is particularly true of 1983, when implementation of government plans came to a complete halt, picking up with some hesitation during the third and fourth quarters.

Lagging behind the other rich oil-exporting countries that seized the opportunity of the oil-price surge to build a network of roads, power stations, desalination plants and other facilities serving them beyond the year 2000, Qatar is now under pressure to meet the short-term expectations of its people. Among projects shelved last year were the expansion of the capital's airport, implementation of the government's plan to build a modern extension to Doha at its West Bay, the Wusail Power and Desalination Plant and the second phase of Qatar University.

Action has been taken lately on the university project, a sewage treatment plant, raising the production capacity of the Qatar Petrochemicals Co. and the Umm Said oil refinery. Two huge investments that will impose themselves on Qatari decision makers this year because of their urgency are the airport expansion project and the Wusail plant, with a total investment capital of $6 billion.

Barring last-minute surprises, and assuming the agreement on the development of the field will be signed soon, the government will be expected to allocate its share in the project's first phase in the coming budget. With construction work due to start next year, the government is

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BASIC DATA

AREA: 11,437 square kilometers. POPULATION (1982 est.): 260,000; Doha 190,000.

AGRICULTURE: 10 percent of the working population is engaged in agriculture. Between January and May of each year Qatar is self-sufficient in fruit and vegetables.

COMMERCE: In 1981, exports totaled 21.272 billion riyals and imports 5.224 billion riyals. Japan provided 18 percent of the imports, the United Kingdom 18 percent and the United States 11 percent. Twelve percent of exports went to the Netherlands, 11 percent to Japan and 11 percent to France.

CURRENCY: The Qatari riyal is divided into 100 dirhams. On February 21, 1984 $1 = 3.64 riyals.

No New Construction Projects in Offing

By Marcus Wright

LONDON — When Qatar published its 1983-1984 budget last April, contractors there realized that the boom days were temporarily over. The government has always been fiscally cautious and at a time of low revenue from crude oil it has decided to cut back heavily on new construction and project work.

There were similar cutbacks in the late 1970s after a construction boom sent the inflation rate upward. After the 1979 increase in oil prices the government injected funds into the sector again. Today much of the country's infrastructure is in place — the nucleus of a heavy-industry complex has been built at Umm Said, and Doha itself has lost the air of a permanent building site.

Until revenue from oil rises again, new construction work is likely to center on developments that relate to previous commitments. Into this category fall the planned $550-million base to house 14 Mirage jet fighters already ordered from France, and pipeline and export facilities for a new 55,000-barrel-a-day refinery at Umm Said.

The cutback on new projects began toward the end of 1982, when oil production started to fall off seriously and the OPEC price structure came under pressure. Announcement of the 1983-1984 budget — which runs from April to April — followed soon after the March OPEC conference in London that cut average prices by $5 a barrel.

The budget reflects the government's caution at a time of uncertainty. It contains virtually no allocations for new construction work and envisages total capital spending of $1.1 billion. The previous budget, which covered an 18-month period, allowed $2.6 billion.

Contractors were already under pressure because the Finance and Petroleum Ministry had delayed contract payments as revenues fell. For some of its existing commitments — large contracts for desalination and power plants — the ministry offered payment in crude oil.

There is some evidence that the government overstated its financial problems. It originally expected a $1-billion budget deficit for which it

(Continued on Next Page)

New Field Boosts Gas Export Hopes

DOHA — Qatar is in the process of becoming one of the world's major natural-gas exporters, backed by huge reserves that promise continued growth over the next decade.

The new mine of wealth, experts say, is the second largest in the world, with more than 100 trillion cubic feet of proven reserves and estimated reserves of 300 trillion cubic feet. It is an offshore field 72 kilometers (about 45 miles) from the northeastern coast of Qatar.

Development of the field is expected to start next year after financing arrangements are made by the Qatar General Petroleum Corp. in light of the current negotiation with British Petroleum and Compagnie Française des Pétroles on setting up a company to run the liquefied natural-gas project.

QGPC's participation in the $6-billion plant is 70 percent; BP and Compagnie Française have 7.5 percent each. The remaining 15 percent is to be offered to a major firm, possibly from Japan, which is expected to become the main importer of the field's production and a potential source of funding for the project.

An understanding has been reached on the two phases for developing the field. The first phase is aimed at fulfilling the domestic market's increasing needs, with production begining two years after construction work starts. Its output will supplement production from the Khuff field, which is expected to be depleted in five years.

The country's industrial base is geared to natural gas, with the fertilizer, steel, petrochemicals and cement plants responsible for the staggering growth in local consumption in recent years. The local market's sole supplier of LNG at present is the plant at Umm Said, processing associated gas, with a capacity reduced in proportion to the trimmed oil-production quota.

The growing local demand is expected to consume one-third of the project's planned maximum capacity of 2.5 billion cubic feet a day at the completion of the second phase, which is scheduled for five years after completion of the first. The plant is also expected to provide quantities of natural gas liquids, naphtha and sulfur.

A recent study predicts a bright future for Middle East natural-gas exporters, with the growing reliance of Far East industries on its products, particularly in South Korea and Japan. The trend seems to have started already with Saudi Arabia's Petromin recently concluding a long-term agreement for the supply of large quantities of LNG to Japanese and U.S. companies.

Sheikh Rashid al-Thani, deputy managing director of QGPC and director of the North Field project, describing the market as "tight," said "we have to start soon and struggle to market our products" as soon as the agreement is finalized. Two other members of the Gulf Cooperation Council, Saudi Arabia and Kuwait, head the list of prospective customers. A study is being prepared on the subject by the GCC, which groups the oil-exporting states of the Arabian peninsula. Sheikh al-Thani denied that the two states would be offered special treatment or special rates. "The understanding is that the price will be set on the basis of supply and demand," he said.

Excluding the possibility of exporting to the United States, Sheikh al-Thani said that he planned to concentrate on prospective clients from Japan and Korea, pointing out that the market there "is very competitive." Of prospective European buyers, he singled out Britain, which he said had expressed interest in an eventual deal.

— OLFAT TOHAMY

The oil reservoirs on Halul Island.

Building: No New Projects

(Continued From Preceding Page)

would have to draw down financial reserves. But recent figures from the central bank show a small surplus for the first half of the fiscal year.

The books were balanced mainly at the expense of the contractors. The same central bank figures show that imports of construction machinery and transport equipment more than halved in 1983, dropping from $303 million in the third quarter of 1982 to $139 million in the corresponding period of 1983.

The main reaction to this belt-tightening has been to shed staff, both for contractors and for government departments that deal with construction. The Engineering Services Department, the government organization dealing with most public-works contracts, has laid off nearly 1,000 casual workers as well as several of its skilled expatriates. The ESD budget for 1983-84 is a good indicator of the slowdown — it comes to about $170 million, compared with $962 million in the previous budget.

"The amount of money available for work this year is equivalent to about two week's worth of new work last year," an ESD spokesman said.

Competition for the new projects that are tendered has become intense. South Korea's Daelim Industrial Co., which at one time employed 1,000 workers on its desalination contract at Ras Abu Fontas, is faced with withdrawal from the Qatari market unless it wins work on the Umm Said refinery pipeline project. This was subject to several rebids and it is possible that the successful contractor will have to take payment in barter crude.

There is some resistance to awarding contracts on this basis, both from contractors and at the Ministry of Finance. Contractors face the danger of losses on the resale of crude in a volatile market, and the ministry has been criticized at OPEC for the deals.

But contractors face little alternative if they wish to get new work, and the solution seems to suit the government, which has often found trouble selling its crude for cash up to its OPEC quota of 300,000 barrels a day. Last October, Midmac Contracting, a local company, announced that it would accept crude payment for work on phase two of the new Qatar University, a project that had previously been frozen.

The pipeline and export facilities for Umm Said refinery may now be let with crude payment. The other major government project, the base for Mirage fighters, may receive cash allocations in the next budget because of its strategic importance.

In the absence of enough government work, contractors have been looking to the private sector and to the oil companies to keep their order books full. Several hope that private investors will sponsor work at West Bay, the area of reclaimed land to the north of Doha planned as a major real-estate development. To date, the response has been slow; private investors are reluctant to invest at a time of government cutbacks.

Other contractors have invested in the oilfield services sector, awaiting a government decision to move ahead with development of the offshore North Field gas reserves. The local Mannai group and the Qatar National Navigation Co. have each set up offshore fabrication yards at Umm Said in anticipation of North Field work.

Even if the government postpones its decision on the North Field, there is a substantial amount of work in the oil sector for maintenance and oilfield development. The onshore and offshore operating companies each had 1983 budgets of about $250 million, larger than the capital budget of any single ministry.

Industry: A Time of Challenge

By Robert Bailey

LONDON — Qatar's heavy industries are facing a challenging period. World markets for the almost totally export-oriented production of low-density ethylene, fertilizers and steel bars are in recession. Oil production, in line with OPEC decisions, is down to little more than 300,000 barrels a day.

This situation questions the viability of Qatar's industrial operations, which are predicated on a plentiful supply of associated gas, produced at the same time as crude oil, and which, if not used, is flared off.

However, in spite of the undoubtedly serious constraints, those charged with planning strategies for Qatar's heavy industries have a base of production and marketing experience superior to any other state in the region, including Saudi Arabia. But in the next few years, Saudi Arabia and the other Gulf states will, as their own heavy industrial undertakings come on stream, edge into traditional Qatari markets.

The problems do not look any easier in the short term. At the end of 1983 Mohammed Said Mishal, director-general of the Industrial Development Technical Center, said of the three principal industries in Qatar that while the Qatar Fertilizer Co. (QAFCO) was profitable, the Qatar Steel Co. (QASCO) and Qatar Petroleum Co. (QAPCO) were running at a loss.

QAFCO was the first heavy non-oil industry when it began operation in 1973. Like subsequent industrial operations it was formed as a joint venture with foreign partners who hold minority shareholdings. In QAFCO's case, Norway's Norsk Hydro has 25 percent and Britain's Davy Power Gas and Hambros Bank 3 and 2 percent respectively. The Norwegians provide management and marketing expertise. The QAFCO plant, built at a cost of 1.36 billion riyals, is able to produce 1,800 tons of anhydrous ammonia and 2,000 tons of urea a day.

India takes nearly half the output. Other prominent customers include China, Australia, Pakistan, Malaysia and Iran. QAFCO has been able to augment its gas feedstocks by taking nonassociated gas from the Khuff geological formation lying under Qatar's principal onshore Dukhan field, 55 miles (88 kilometers) west of Doha. But market prices for urea have declined by two-thirds in the last decade, with the result that profits for QAFCO and other world producers have plummeted.

Unfortunately such are the economies of scale that domestic sales are equivalent to about 10 minutes of QAFCO daily production. It seems likely that in order to protect profit margins from further erosion a reduction in the company's, largely expatriate, 1,200-man labor force may occur.

QASCO, because of low steel prices and interest payments on capital investment, is in the red. Nevertheless, the plant, opened in 1978, is a highly successful operation by any technical standards and has consistently achieved production levels beyond the rated capacity of the plant. Since opening, the plant, which is 20 percent owned by Japan's Kobe Steel and 10 percent by Tokyo Boeki, has turned out 2 million tons of steel. Nearly 90 percent of this has been exported, mainly to Saudi Arabia and other Arab states. About 10 to 12 percent of production is used locally in construction and small metal industries making pipes, frames and water tanks.

How far QASCO's fortunes will be affected by sales from the new Saudi Iron and Steel Co. plant at Jubail, for which QASCO has supplied management and technical training, remains to be seen.

QASCO general manager, Motomi Kano, believes that the Saudi market will continue to take about 200,000 tons a year of reinforcing bars. He estimated the kingdom's requirements at 1.5 million tons a year. He also said that there was sufficient room for both in the Saudi market. However, the coordinating planning mechanisms, such as they exist, of the Gulf Cooperation Council are likely to be needed if long-term friction is to be avoided.

The same argument applies to QAPCO, the most recent of Qatar's heavy-industry undertakings, which, like steel and fertilizer production, is situated at Umm Said, 30 miles (48 kilometers) south of Doha.

QAPCO was set up in 1974. The minority partner is France's CDF-Chimie, a subsidiary of Charbonnages de France. QAPCO is the Gulf's largest producer of ethylene and low-density polyethylene, at least until the Saudi complexes at Jubail and Yanbu come on stream and until Iraq can revitalize its war-ravaged Khor al-Zubail petrochemical complex at Basra.

But the most immediate worry for QAPCO concerns production levels. Problems of falling output for oil and associated gas and the consequent shortage of natural-gas liquid feedstocks from QATAR's two LNG plants worsened in 1982. This was because of difficulties with the pipelines that link Qatar's offshore fields of Id al-Shargi, Maydan Mahzam and Bul Hanine with the LNG plants at Umm Said.

Due to a lack of ethane, the essential feedstock, and since the existing low-density (280,000 tons a year) capacity plant was working at half capacity, QAPCO canceled an order with Japan's Mitsui in 1983 for a $63-million large-scale high-density polyethylene plant, with a capacity of 70,000 tons a year.

Following this decision, QAPCO has opted to invest in a turbo-expander unit. This is designed to chill the ethane in associated gas to increase ethane recovery at Umm Said's LNG plants. In theory, by using the turbo-expander and if oil production is increased to 350,000 barrels a day, QAPCO will be able to reach full production of ethylene and low-density polyethylene.

Barter Spreads in Oil Industry

(Continued From Preceding Page)

companies were granted concession areas and the government was paid a modest percentage of the revenue of production. Foreign companies currently operating in Qatar include British Petroleum, Compagnie Française des Pétroles, Shell, Mobil and Exxon. The latest statistics released by QGPC show that its main export clients are Japan — by far the largest importer with more than 11 million barrels of oil during the third quarter of last year — followed by Italy, Spain, France and West Germany.

No new fields have been discovered in the last few years, and exploration activity has slowed with the worldwide slackening demand for oil. But Mr. Jaidah, who is a former OPEC secretary-general, said that the market had shown signs of recovery during the last two quarters, and he believed that this year will witness a modest increase in demand of about 2 percent.

Although not anticipating that Qatar could pump oil anywhere near its maximum capacity of 550,000 barrels a day, Mr. Jaidah said that "Qatar is a small producer that will have to adjust to reality, and adapt to OPEC conditions."

The country's proven reserves will allow it to continue producing at the present rate for the next 30 years.

— OLFAT TOHAMY

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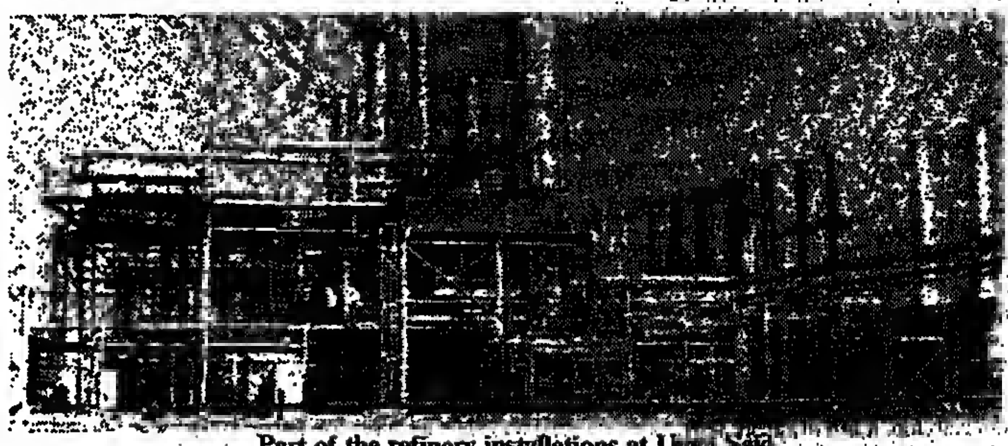


Part of the refinery installations at Umm Said.

Learning to Adapt to Less Oil Income

(Continued From Preceding Page)

likely to come under pressure to invest $600 million, half its equity share in the capital.

The Qatar General Petroleum Corp., according to the project director, Sheikh Rashid al-Thani, is participating with 70 percent of the capital, 30 percent of which will be equity.

The project will be a two-phase, long-term investment, expected to bear fruit in eight years when the liquefied natural gas plant will be able to export two-thirds of its production.

The development of the rich, natural-gas field, the second largest in the world, comes in time to compensate Qatar for the sharp falls in oil revenue.

It will also reduce the country's dependence on oil as a source of revenue providing the state with more than 80 percent of its income.

But the difficulty of developing will continue to be linked to the unpredictable hydrocarbons market, and Qatar's economy will remain vulnerable over the next decade to fluctuations in those markets.

Qatar has had a disappointing experience with industry. Its major public-sector projects are incurring losses due mainly to declining world prices, unforeseen at the time of the implementation of these projects.

This applies to the petrochemicals, fertilizer, cement and steel industries. But rather than protect the national industry from unfair competition with cheap imports through raising customs duties, the government has opted for lowering the price of the local product, as in the case of cement.

Qatar is hoping to diversify its industry, which is facing competition from other states in the Gulf, by enhancing complementarity in major industries, said Sheikh Abdel Rahman al-Thani, director of the Industrial Development Technical Center.

He said that in spite of lavish incentives offered by the government to encourage private-sector participation in industrial development, private investors remain hesitant and reluctant.

The sizable business community, concentrating its activity on trade, construction and banking, has refrained until recently from making medium or long-term investments.

But a positive response to the government's policy is gradually emerging as a result of the slowdown in construction work and the reduction of private consumption.

Sheikh al-Thani said that the number of permits issued for new industrial projects has reached 50, mainly for local market-oriented enterprises.

Another healthy sign, according to Abdul Wahed Mawlawi, manager of the Commercial Bank of Qatar, is a 20-percent increase in private deposits over last year and a shift toward time deposits.

But Jawad Azzeh, financial adviser of the Qatar National Bank, said that there was a bigger increase in foreign-currency deposits, largely due to the low interest rate on Qatari riyals set by the Qatar Monetary Agency.

This, coupled with the lack of investment banking and a local capital market, could further offset the balance in favor of investment abroad.

QMA figures show that at the end of last year foreign investment was more than four times as much as local investment. An influential banker and businessman, Hussein al-Fardan, said that the smallness of the market serving about 300,000 people, including natives and foreigners, is a restraining factor.

He agreed with Mr. Azzeh of QNB that this year will also be a "flat" one in business and banking.

The new Sheraton's pyramidal architecture dominates the West Bay in Doha.

Water, Power Needs Continue to Grow

LONDON — Bids have now been submitted for 10 out of 12 packages on the first phase of a new 1,500-megawatt power and desalination plant in Qatar, the only major new project for water and power supply. But a decision to award the contract has been delayed for more than a year, and the electricity and water departments are worried about meeting demand for their services beyond 1986 without having the complex on line.

Some officials say that now that the economy has cooled and with expatriates leaving the country, local demand for power and water will cease to rise at the dramatic pace of the 1970s. Others say that the harsh desert summers require heavy use of water and electricity. "Landlords tend to keep air-conditioning on, even if their tenants have left, in order to maintain the fabric of the buildings," an electricity department official said. "Otherwise the heat and humidity make the buildings decay."

The water department has similar complaints about the watering of private gardens in summer — to maintain lawns residents often keep hoses on for 24 hours a day.

The situation is made worse by cheap rates for electricity and domestic water supplies, which are held at a fraction of the cost of production. This is true all around the Gulf — raising the rates would be a major shift away from the free welfare system built up on the oil wealth since 1973.

Change may come through the Gulf Cooperation Council, which is attempting to unify and rationalize the price of water and power to consumers across the Gulf. This could be a prelude to establishing an electricity grid system, useful in case of a major power failure in one of the Gulf states. A major stumbling block is the Saudi system, which runs on the U.S.-standard frequency, while the other Gulf states have installed the European standard.

Without major changes of this sort, the Qatari electricity department expects peak demand to grow from the present 724 megawatts to 1,190 megawatts by 1986, at which point the present generating capacity will be inadequate. Unless the government moves ahead with the new 1,500-megawatt power station — to be sited at Wusail to the north of Doha — the electricity department faces the unpleasant choice of power rationing or of cutting the supply to industry during summer peak demand.

The problem stems from the high cost of desalination and power plants and the government's attempts to cut spending to balance its budget. Wusail's first phase involves eight 5-million-gallons-a-day desalination units and four 150-megawatt steam turbines. The final cost of the station is estimated at $880 million.

The high cost of plants meant that the government was forced in 1983 to offer payments in crude for previous contract obligations of the Ministry of Electricity and Water.

Unless the 1,500-megawatt power station is built at Wusail the electricity department may have to cut supplies in the summer.

In 1983 it paid out about $210 million worth of crude for contract work at Ras Abu Fontas power station, three back-up stations around Doha and for work on the electricity transfer system. It is possible that the government will move ahead with Wusail on the basis of crude oil payments.

One alternative is to build smaller and more regionalized power and water plants. This has been pursued by the water department for outlying areas of the country using reverse-osmosis technology.

Another problem is the serious overuse of the country's only natural source of water — the aquifer of sweet water that lies under the north of Qatar. This has traditionally supported the small farms in the north, where the soil conditions favor vegetable and date cultivation.

The aquifer is also needed to blend with desalinated water to supply the capital. But if too much water is pumped out of the aquifer there is a danger that seawater will seep in and make it permanently salty. For several years farmers have been pumping out about 80 million cubic meters (2.8 billion cubic feet) of water a year, while the country's limited rainfall only recharges around 25 million cubic meters annually.

Ironically, as water is being pumped out of the northern aquifer, water supplied to Doha by desalination plants has seeped underground and created a mass of unusable water under the capital. In winter this water comes to the surface, causing flooding of basements and low-lying streets.

About half the water comes from spraying of gardens in the capital, the rest from leaks in the water distribution system. The only solution seems to be to pump the water out from under the capital or cut a channel to allow the water to flow into the sea.

— MARCUS WRIGHT

The Drive to Assure 'Food Security'

By Susannah Tarbush

LONDON — Qatar faces the formidable task of drawing up and implementing policies to combat two of its most serious problems: a lack of food security and the rapid depletion of its water reserves.

Qatar shares its concern over the high level of food imports with its five fellow members of the Gulf Cooperation Council — Saudi Arabia, Bahrain, Oman, Kuwait and the United Arab Emirates. The GCC is worried that the region could one day be confronted with a "food weapon." Thus, the drive to improve agricultural production is a top priority.

Increasingly Qatar's agricultural decision makers see themselves in a Gulf context rather than in a national context. The GCC states are pooling agricultural data and research experiences.

A report on agriculture in the Gulf published last year by the Economist Intelligence Unit singled out Qatar for praise. "Qatar is the only country in the Arabian peninsula in which it is possible to find a firm and coherent data base on which to build an agricultural policy," according to the report's authors, Howard Bowen-Jones and Roderick Hutton.

The comments are a tribute to Qatar's intensive efforts over the last decade to gather information and carry out agricultural field work with the help of the Food and Agricultural Organization (FAO) and the United Nations Development Program (UNDP). The Khartoum-based Arab Organization for Agricultural Development are taking topographical surveys.

But building a data base is only half the battle.

By 1980 Qatar was 42 percent self-sufficient in winter vegetables and 68 percent in summer vegetables. In other foods there was a glaring deficit, however; the level of self-sufficiency was 4 percent in cereals, and all beef was imported. Nor was Qatar self-sufficient in dates, the Gulf's traditional crop; it had to import nearly half its needs.

According to Mr. Bowen-Jones and Mr. Dutton, "The only agricultural sector that can be regarded as economically justified is the production of vegetables on an intensive basis."

The experimental farm at Al-Otariyah, operated with FAO assistance, has enjoyed considerable success. Faysal Ruwayha, who worked with the FAO in Qatar as a horticulturalist for eight years beginning in 1974, talked with enthusiasm of the pioneering work to "start something new in the Gulf area — which is greenhouses."

"Usually when you think of a greenhouse you think of trapping heat to grow things," he said. "Here we wanted to expel heat and to trap cold air. It requires certain mechanics."

The Al-Otariyah farm was particularly successful in producing cucumbers during the scorching summer months. Tomatoes were also grown, although with less spectacular results.

Encouraged by this research, the Industrial Development Technical Center (IDTC) has begun a project to produce coolhouse vegetables at Shahaniya. The Dutch company HVA Agro-Industrial is supplying the greenhouses and will build and manage the farm. It will have a reverse osmosis plant to purify water from an underground aquifer.

In another experiment, to be carried out with Japanese help, Qatar hopes to turn the sun into an asset instead of an agricultural liability. The JGC Corp. is exporting a pilot plant to the IDTC for use at the solar heat research center. The idea is to vaporize sea water in ditches, and allow the vapor to permeate a cooler bed of sand above. The system will be used for two years to grow vegetables, including green peppers and tomatoes, and the IDTC will then decide whether to adopt the technique on a wider scale.

The beauty of the Japanese plant is that it uses seawater, important for Qatar, which is literally mining its precious groundwater at an alarming rate. An FAO study warns that the northern aquifer, on which most of the country's agriculture depends, will cease to yield fresh water by the end of the century if current extraction rates continue.

Qatar's meager rainfall of 50-80 millimeters (about 2-3 inches) a year is insufficient for rain-dependent agriculture, but it plays a vital role in recharging the aquifer. It is thought that the aquifer water could safely be tapped at a rate of 33 cubic meters a year without serious depletion, but in recent years the rate has soared to about 80 million cubic meters.

The structure of the farming system has not encouraged good water use. Farming is often undertaken as a somewhat casual enterprise more for pleasure than as a commercial activity, although commercial farming is on the increase. The farms tend to be small with mainly expatriate managers and laborers.

Water is not always used economically. Although the government has taken steps to try to reduce water use and limit pumping, legislation has been difficult to enforce. Mr. Bowen-Jones and Mr. Dutton calculate average efficiency in water use at 44 percent, but research centers have achieved significant improvements.

One way of cutting down the use of groundwater is to provide treated sewage effluent (TSE) as an alternative. TSE has been used since 1974 to water public gardens and ornamental trees in Doha, and it is now being produced in greatly increased amounts from the treatment plant at Naija, south of Doha. Up to 14 million cubic meters (490 million cubic feet) a year of TSE is available for agriculture. Once all houses are connected and another treatment plant is built, the amount will rise to 25 million cubic meters.

The Australian Overseas Projects Corp. has drawn up plans for a farm irrigated by TSE to be set up at Wadi al-Diyah, 70 kilometers (about 43 miles) from the treatment works. The farm is to have 1,000 Frisian cows fed on alfalfa and barley.

A 700mm-diameter pipeline was to have been built, but the government now seems to be having second thoughts about the farm's location.

Despite the assertion of Mr. Bowen-Jones and Mr. Dutton that only vegetable production will prove economically profitable, the two recognize that Qatar may invest in other sectors of agriculture to improve food security. They predict that within 20 years Qatar could achieve a balance of self-sufficiency in winter and summer vegetables, dates, fruit, milk and beef but would remain reliant on imports for most of its mutton and for all cereals and other commodities.

Conservative Policy Guides Banking Sector

DOHA — Qatar is pursuing a conservative policy in developing its banking sector. The sector is adapting to the austerity forced by the fall in oil revenues, but it is not aspiring to compete soon with the financial giants of the Gulf.

The highly developed centers, particularly in the United Arab Emirates, are showing signs of strain, with liquidity shortages caused by the oil slump.

Comparing their hardships with Qatar's manageable short-term bottlenecks, Majid al-Majid, general manager of the Qatar Monetary Agency, said he thought "our cautious approach has proven wiser."

Qatar has 14 banks, all comercial; four are local and the remainder are branches of foreign banks.

A prolonged freeze on new banks ended recently, and two new banks were set up. They are the Qatar Islamic Bank, opened last summer, and Qatar al-Ahli Bank, which is to open soon. Two of Qatar's local banks figure among the top 50 Arab banks. The Doha Bank is 28th and Qatar National Bank is 30th. The total assets of Qatar's banks at the end of last year were $3.2 billion.

Foreign banks operating in Qatar include the Chartered Bank, Grindlays Bank, United Bank, British Bank of the Middle East, Banque Paribas, Oman Bank, Saderat Iran, Arab Bank, Bank al-Mashrek and Citibank.

The lack of investment banks is now partly filled by the Islamic Bank. The need for investment banking is felt by the private sector. New investment outlets are needed because of a saturation in trade and construction, and government officials, whose policy of directing private funds to productive sectors is making little headway.

Abdul Wahed Mawlawi, general manager of the Commercial Bank of Qatar, said that "there are not enough banking services to guide potential private-sector investors."

As a result, there is likely to be a continuing reliance on banking facilities ouside the country, especially in neigboring Bahrain. (Bahrain provided four-fifths of Qatar's foreign currency credits last year.) The situation is compounded by the lack of specialized banks in certain potential investment areas, as well.

The outflow of funds is liable to grow. The QMA has attached the local banks' outflow of capital, but the agency seems reluctant to take measures to curb the trend.

Mr. Al-Majid suggested as a way out that the government proceed with investing according to its priorities, then offering successful firms for sale to the public.

The QMA, which partly serves as a central bank, issues currency and supervises at a distance the activities of all banks operating in Qatar. But it has no control over the outflow of currency.

Mr. Al-Majid said that there was an understanding with the banks about a ceiling for foreign transfers, but that punitive action would be taken only in the event of extreme violations.

The Qatari riyal has proven to be strong enough to sustain the country's economic difficulties, not requiring QMA intervention to maintain its rate against major foreign currencies.

The QNB complements the QMA, handling most of the government's deposits and disbursements. It was set up 19 years ago with a 50-percent government share. It seems to be the only bank in Qatar that has managed to produce a modest — yet remarkable — 3.3 percent profit last year.

"The bank is growing," said a financial adviser, Jawad Azzeh, referring to a slight increase in the bank's assets and the fact that the bank entered a new phase of development last year with syndication loans of $75 million and $100 million for the Qatar Petrochemical Co.

Another bank that is growing professionally is the CBQ, whose profits fell by less than 10 percent during last year. Mr. Mawlawi said that the opening of a training center and the computerization of all operations this year put the bank in a "pre-takeoff stage."

— OLFAT TOHAMY

GUELBS DEBUT AT EL-RHEIN—JULY 1984

Iron Ore — the 'motor' driving the industrial development of Mauritania for the past 20 years

by Rupert Bibra

The Iron Ore industry is controlled by SNIM S.E.M., a company that sprang from a government parastatal. SNIM was formed on 27th July 1972 as a wholly owned government corporation to further develop the rich ores of Kedia. It in turn took over the foreign owned Company *MIFERMA* (Soc. des *Mines de Fèr de Mauritanie*) in 1974 – MIFERMA was nationalised because 79% of its 'added value' profit was being transferred out of Mauritania and the iron ore industry, already 11 years old, was due for indigenization. The owners of MIFERMA were not too upset and remain in the front rank of importers of Mauritanian ore – France, Italy, the UK, West Germany . . .

When it was seen that Kedia resources would be quickly exhausted partners were sought, to back the GUELBS project *with its almost infinite reserve of 'workable' ores* (5 to 6 billion tons). The ores of the El-Rhein and Oum Arwagen Guelbs for

M. Baba Ould Sidi Abdallahi, Administrateur Directeur-Général of SNIM.

Phase One and Two were the most interesting and the overall development cost for these was below $400 million. In July 1978, SNIM S.E.M. was formed; 71% of the shares were still held by the government but the remaining 29% was sold off to:

The Arab Mining Company
The Islamic Development Bank
The Kuwait Foreign Trading, Contracting & Investment Co.
Le Bureau de Récherches et de Participation Minières (MAROC)
The State Organisation for Minerals (IRAQ)

The equity capital was set at over 9 billion Ouguiyas (at the fixed rate of 45.5 Ouguiyas to the US Dollar) and 5 foreigners were admitted to the controlling Conseil d'Administration consisting of 12 members. The Ministry of Industrialization and of Mining is the overall controlling administration.

Twelve international organisations are co-financing the *GUELBS project*:

$65 million — Saudi Fund for Development;
$60 million — World Bank;
$50 million — Caisse Centrale de Cooperation Economique (France) ($30 million) with: Banque Francaise du Commerce Exterieur and Banque de Paris et des Pays-Bas ($20 million between them)
$45 million — Kuwait Fund of Arab Economic Development;
$35 million — Arab Fund for Economic and Social Development;
$30 million — Banque Européene d'Investissements;
$20 million — Abu Dhabi Fund for Arab Economic Development;
$16 million — Overseas Economie Cooperation Fund (Japan);
$12 million — Banque Africaine de Dévelopment (African Development Bank);
$5 million — OPEC Special Fund.

$338 million in all for a project initially estimated at $485 million. SNIM – S.E.M. shareholders have provided the *remaining financial backing necessary for the first phase.*

In 1979, the World Bank was expecting this first phase to cost 444 *million* US *current* $, but thanks to rigorous management of the project at its different stages (engineering, procurement and erection) and the setting of all the necessary conditions for a real and efficient international competition (tenders), SNIM has succeeded in bringing the cost of the project down to less than 350 million US current $. It should be noted that this was achieved in spite of an actual inflation rate much higher than that taken into account in the World Bank appraisal.

The project is proceeding to schedule: over 100 contracts have already been signed. The first orders were placed December 1st 1979 and SNIM S.E.M. is on schedule for the first Guelbs production start-up in six months' time – i.e., July 1984, the culmination of a project that was first discussed as far back as 1967.

SNIM S.E.M. at Nouadhibou is a stronger company now than before the world recession and the disruptive Polisario raids in 1977 and 1978; more Mauritaniaized (90% of wages/salaries are paid to Mauritanians – the expatriate complement has been cut to the bone without concommitment *loss* of efficiency), tougher and more market orientated. The 60,000 SNIM S.E.M. employees are directed at iron ore and its export, but indigenous steel production is also growing. The iron furnace and rolling mill at Nouadhibou are saving imports and creating a useful export income from steel reinforcing rods sold particularly to Senegal (CEAO duty free) and to Mali and Ivory Coast.

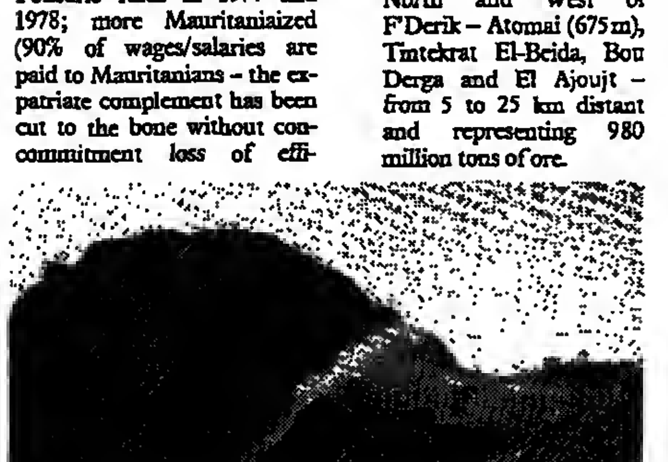
SNIM S.E.M. has been relieved of the embarrassments of the Akjoujt copper mine debts (SOMIMA), but still keeps its long view interest in copper, gypsum, explosives and oil products production – particularly for research. The phosphates of Bofal in southern Mauritania – 130 million tons – are ready for development and BRGM (Bureau de Récherches Géologiques et Minières) of France has reported favourably.

The Guelbs

Below is a picture of a black topped quartzite hill, a 'GUELB'. These hills can be over 675 meters tall and are composed of 35% to 42% iron ores – magnetic quartzites. At least six billion tons in the Tiris area (West, North and East), stretching out in the desert to the North-East of Zouerate. The first of these *hills of iron ore-bearing rock* – and consequently resistant to erosion – to be brought into production will be El-Rhein (490 meters). The rate of production from start-up in July 1984 will be 6 million tons a year. By 1991 this can be 15 million tons (in tandem with Oum Arwagen – start-up set for 1989) all by open cast mining. The Guelb iron ore-bearing rock will be treated before being sent to Nouadhibou's Port Minéralier for export.

Three groups of GUELB that were looked at before El-Rhein and Oum Arwagen were chosen as the most suitable for the initial phase:

a) The western group to the North and West of F'Derik – Atomai (675m), Tintekrat El-Beida, Bou Derga and El Ajoujt – from 5 to 25 km distant and representing 980 million tons of ore.



b) The eastern group lying to the North East of Zouerate 20-30 km distant – El-Rhein, Oum Arwagen and Merizet – represents 500 million tons of ungraded ores; El-Rhein has 285 million tons and was chosen first.

c) The Northern group includes Guelb Lehdid (the word *lehdid* means iron in Arabic) which has been renowned since the middle ages and has the biggest reserves of all.

Added together, there are certainly over 6 billion tons of these Guelb quartzites and iron oxide ores, more or less martitized to be exploited in the Tiris rectangle (125 km square with the El-Rhein Guelb roughly in the middle) *quite apart from the usable* iron ore still left in the Kedia massif. The whole Tiris iron ore-bearing rock area is inside Mauritania's frontiers.

American and European tests in the mid-Seventies showed that Guelb ore is good. The Zouerate pilot *plant supplied samples* of Gnelb concentrates to France, Belgium, the UK, Spain, West Germany and Japan with excellent results. The tests were exhaustive, over 30,000 tons of Guelb ore have been treated by the pilot plant.

Guelb iron ore shipped from Nouadhibon should secure the same prices as Kedia iron ore – $19.82 a tonne in 1982. Now that the USA, Japan and West Europe seem to be pulling out of recession, demand and price should move ahead too. Kedia ore was always profitable for SNIM/SNIM S.E.M.; even in 1982 when sales slipped to 7.65 million tons, SNIM S.E.M. made a handsome profit – nearly double 1980's $10 million, when 8.7 million tons (MT) were shipped. Austerity measures, taken in time, saved SNIM S.E.M. from going into loss in 1982, although sales per month dipped below 300,000 *tons in* one month, and real capacity for 1982 was estimated at 12 MT. Guelb iron ore will come on sale by September 1984 and should reach export sales of 14 to 15 *MT* by 1990, when Kedia annual iron ore production will be down to 2 or 3 MT from just the Tezadit VI and Segazou mines.

The iron ores of Kedia have been mined since 1963 and the single track railway line from Nouadhibou to Zouerate via Choum and F'Derik was built specifically to export the *richest* (63½% Fe – 64½% Fe) ores via Nouadhibou's Port Minéralier – again specially built for Kedia ores, just like the mining town of Zouerate.

By 1991 the mines of the Kedia will all be exhausted except for Tazadit VI and Segazou – Rouessa, F'Derik, Tazadit 1 and V will all be closed down.

The Railway

The 'Port Minéralier' and the 400 mile railway line were built to export the rich iron ores of Kedia d'Idjil; now a *spur* line 40 km long has been built North Eastward to reach the El-Rhein Guelb. Obviously this spur line will be extended into the desert as other NE group Guelbs are brought into production. The distance by rail from El-Rhein to Nouadhibou is 670 km. From the *Nouadhibou peninsula* – Ras Nouadhibon (ex Cap Blanc) – the railway line runs due east and passes to the north of the Dunes of Akchar in the Adrar until reaching the old 'Route de Mauritanie' at Choum. Here the line turns north-north east to follow the 'Route de Mauritanie' camel track from Char to F'Derik (ex Fort Gouraud) –the original track turns eastwards again for the railhead at Zouerate – 650 km from Nouadhibou and alongside the Kedia ore deposits at Tazadit.

SNIM S.E.M. envisage running up to 5 trains a day (15,000 tons of ore each one) some time in 1991; when both Guelbs in the first phase are fully operational – 3 trains a day should be the minimum. The El-Rhein wagon loading equipment is already 75% completed.

MAJOR CUSTOMERS

France, Italy, Belgium and the UK are Mauritania's major customers for iron ore:

1978	1979
France – 2.20 MT	France – 3.09 MT
Italy – 1.45 MT	Italy – 1.44 MT
UK – .88 MT	Belgium – 1.21 MT
Belgium – .51 MT	

The Port

Nouadhibou (formerly Port Etienne) is built on the peninsula that used to be called Cap Blanc and is tucked well into the Bay of Lévrier. When Mauritania signed its peace treaty with the Polisario in Algeria in August 1979, it gave up the area of Western Sahara (Rio de Oro) it had briefly occupied, excepting La Guera. This small fishing port is on the Atlantic side of the peninsula, whilst the Port Minéralier is directly opposite on the eastern side just inside Ras Nouadhibou. La Guera effectively guards the Port Minéralier, but Mauritania should give it up when peace is restored in this area – though it would prefer to negotiate a small frontier change so that *all* the peninsula belongs to Mauritania. The investment in Nouadhibou (population 60,000), the Refinery and SNIM's HQ/Quay/Repair Shops etc. has been considerable.

Nouadhibou/SNIM have a big advantage over their South American rivals – Rotterdam is less than 7 days *sailing from Nouadhibou* whilst South American ore is about 21 days away.

The Port Minéralier will be re-equipped to be ready to handle the Guelb ores when they start coming down the line *circa* September 1984 –

EXPORTS OF MAURITANIAN IRON ORE

1977	8.4 MT	1980	8.7 MT
1978	6.5 MT*	1981	8.9 MT
1979	9.3 MT†	1982	7.6 MT

*Notes: * By December 1978 SNIM S.E.M. held over 1.33 MT of iron ore stock at Nouadhibou, UP almost 1 MT on the beginning of 1978. In 1978, 7.43 MT of iron ore was brought down from Zouerate – 92,804 rail wagon loads.*

† 9 million ton exports may not be seen again before 1990. 1979 was an exceptional year with sales up 44% on 1978's.

Loans

Mauritania started repayments on its *GUELBS* loans in April last year, but repayments do not become onerous before Guelb ore production should have reached 6 MT per annum in 1985. Repayments then should run at $50 million a year. The revival in the world industrial economy is coming at just the right time for Mauritania, and the GUELBS funding should not have to be rescheduled. There is already the capacity to increase sales back to over 9 MT per annum although projections do not envisage exports on this scale before 1990.

The El-Rhein Plant

The first train full of Guelb concentrates is likely to pull out from the El-Rhein loading station in September 1984. The official opening of the El-Rhein plant will probably take place in July 1984. At the time, the stockpile of iron ore ready for processing will be well over 4 MT.

The plant itself lies close under the Eastern side of El-Rhein and 10/12 km from the second Guelb, Oum Arwagen.

When both Guelbs are in full production in 1991, 66 million tons of Guelb will have to be dug away annually in order to yield 33 million tons of Guelb ores for the primary crusher and from which the plant will produce 15 million tons of concentrates.

The sorted ore is carried down from the mine head in the enormous 80 ton capacity trocks and they tip the ore into the primary crusher, where it is ground down from sizeable rocks to 300 mm 'stones'.

The noise made by the primary crusher *is hell-like, it* uses 600 kw to produce its 3,900 tons per hour of crushed ores. From its base, the conveyor belts take the 'stoop' to a stockyard with a capacity of 480,000 tons (8 stock piles of 60,000 tons each). There are 4 qualities of ore and an automatic sampling tower allows accurate control of all the *mine's production.*

From the stockyard, two bucket wheel diggers ('reclaimers') pour the ore on to conveyor belts – leading to the Aérofall Mill. Each of the 2 Aérofalls is a large unit, 10.59 meters in diameter by 2.56 meters wide, and consumes *enormous* quantities of electricity in order to grind down the ore by a dry semi-autogenous process. The Aérofalls, mounted side by side, dictated that the power station needed a capacity of 56 megawatts (4 turbines 14 mw each) to feed the entire El-Rhein plant and these rotating monsters have an output of 800 to 1,800 tons per hour.

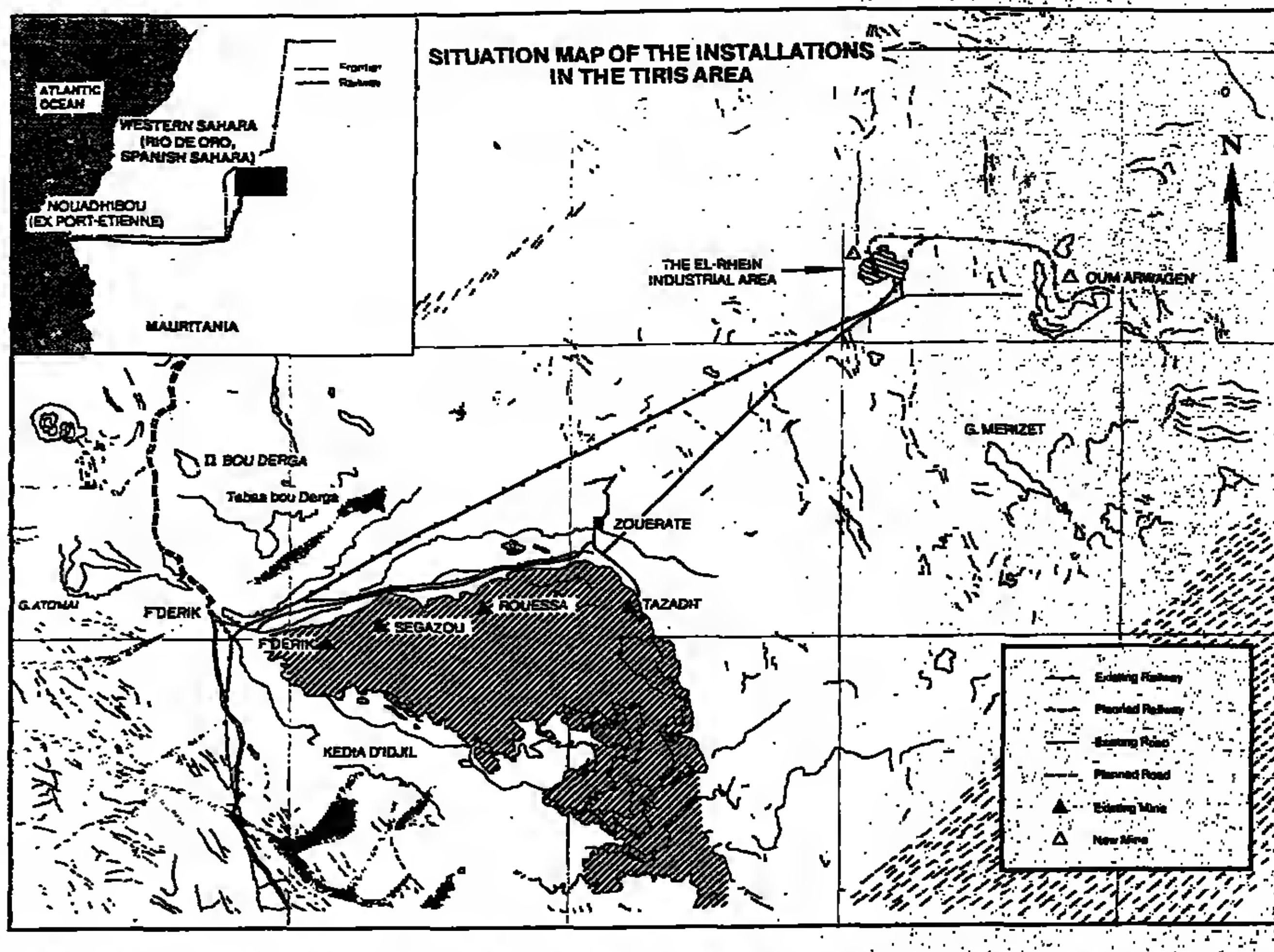
The dry system of passing the ores through the grinding, screening, magnetic separation and remilling processor, raises the ore content from its initial 37/42% Fe to 52/53% Fe and so to a final concentrate of 65.7% Fe (1600 Micron size) for the GMAB quality and of 65% Fe (300 Micron size) for the GFM grade.

Naturally, in separating out the ores from the other components of a Guelb, the El-Rhein plant has a considerable waste disposal problem of tailings (LIMS waste and filter fines). Here some water is needed – after wetting the waste passes via conveyor belts to an area South of El-Rhein where great spurs of this material look like oddly shaped sand dunes.

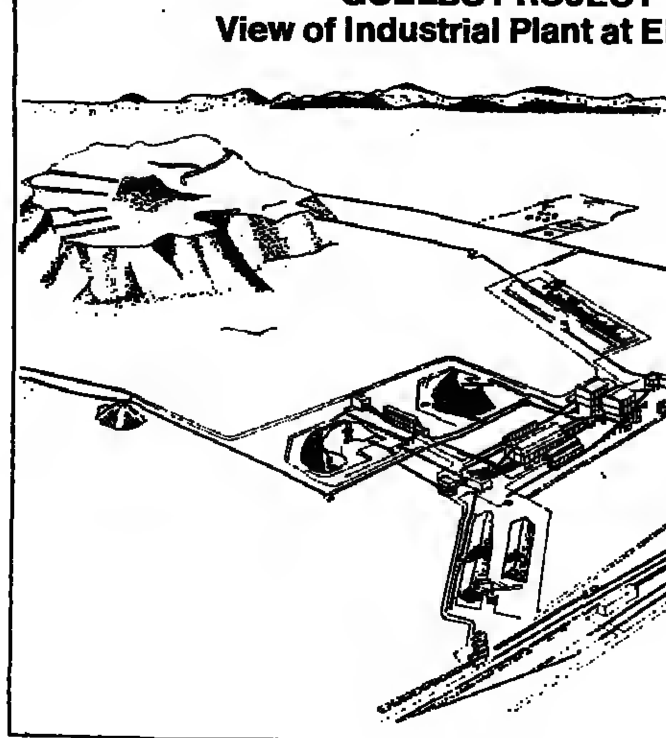
The enriched ores are stock piled close by the new *El-Rhein* rail head; 4 x 60,000 tons; again with conveyor belt 'feed' straight into the rail wagons – 45 wagons can be loaded in one hour, i.e. 4,000 tons an hour capacity through the loading tower.

Trains from El-Rhein hook into the original Zouerate-Nouadhibou line at F'Derik, this leaves the original track from F'Derik to Zouerate unencumbered to move the remaining Kedia ores of Segazou and Tazadit VI to the sea and makes the distance *from El-Rhein to Nouad*hibou a few kilometers shorter than if the new spur line had actually been extended from Zouerate to El-Rhein. Taking just 2 trains a day, the saving of even 10 km per train over one year is very considerable.

The new 20 km tarmac road built between El-Rhein and Zouerate is for everyday *use by the shift workers of the* new plant and the miners of the Guelbs; 523 new lodging houses have been built in Zouerate for these workers. Thus, Zouerate, which came into existence 20 years ago for the development of the Kedia ores now doubles for the new GUELBS development; a base camp with a new lease of life. The other SNIM S.E.M. 'village' is outside Nouadhibou near to the Headquarters complex – again with houses and apartments, its own hotel, a social club, sports facilities, shops . . . SNIM S.E.M. looks after its own people and visitors too.



GUELBS PROJECT
View of Industrial Plant at El-Rhein



INTERNATIONAL Herald Tribune

BUSINESS/FINANCE

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INTERNATIONAL MANAGER

:uropean Export Plans Running Deeply in the Red

By SHERRY BUCHANAN

BRUSSELS — Western Europe's government-sponsored export programs, which grant credits on favorable terms and issue political-risk insurance, are running deeply in the red. In 1982, West Germany's Hermes program for the first time paid out ore in claims than it received in premiums. It expects more of the same ıtil the end of the decade.

Britain's Export Credits Guarantee Department expects to run a ficit this year, its first in 30 years. Last year, France's Coface had to pay :t 13 billion francs — twice the amount in claims that it paid in 1982. In ıly, the Treasury, which grants export financing at as much as 10 rcentage points below market rates, is piling up big deficits.

It is much the same story in every case. The insurance claims began to ›w as companies stopped receiving payments from their customers in bt-ridden developing nations. In addition, high interest rates have iven up the export agencies' cost of raising funds. Thus, European vernments must pour ever-greater subsidies into the programs to make · the shortages. In many cases, governments have decided they have no oice. To end the subsidies would mean that their industries would lose ›ir share of export markets, with the consequent loss of jobs at home.

While there has been a decline in the volume of new medium- and long-term export credits and insurance to developing countries, the encies attribute it to a recession-induced drop in demand rather than to st-cutting measures or tougher risk evaluation on their part. "If trade :ks up, then activity" at the export credits department will pick up, says British official.

"We're a little more cautious, but we're not exclusively following mmercial-credit considerations," says Peter Gehring, head of the port credit department at the West German Economics Ministry. "The k policy has remained more or less the same."

However, Bonn has stopped giving insurance guarantees on exports d Britain has stopped giving both credits and coverage to countries dergoing reschedulings, such as Brazil, Mexico and Nigeria. "Today, ›rmes is more flexible than it used to be," says Harald Peipers, a ›mber of the executive board of Hochtief, West Germany's largest ıstruction company and a permanent adviser on Hermes' export-ance committee. "But Hermes' flexibility only applies to countries ›ere risk hasn't materialized yet."

The French, on the other hand, are continuing to grant export credits :l guarantees on financing where Britain and West Germany are not. 'e are more open than others," says a French official, "We are ntinuing to provide credits to these markets even if at a slower pace." a result, large West German companies that can no longer get suitable urance coverage from Hermes, are using their French subsidiaries to better export-credit terms.

ome export agencies are taking steps to reduce costs. If that does not mean that their risk policy has changed, it may mean a lower volume :redits and insurance granted either because the credit terms are not as ractive to the exporter, as in the case of West Germany, or to the buyer, in the case of Italy.

Hermes recently increased the fees exporters have to pay as part of ir financing cost. The fee for an 8-year contract rose to about 7½ cent of the value of the total contract from 3 to 4 percent. "We will re to increase our price," says Mr. Peipers, "or go further down in our ›fit margin. So maybe Hermes will get higher fees but less business." :st German exports, as a result, could be more expensive.

The Italian Treasury is discouraging export financing in lire and :ouraging it in dollars. It is cheaper for the Italian Treasury as a ›ereign borrower to obtain dollars at wholesale rates and lend them to ›orters than it is to borrow lire at 22-percent interest and relend them t rate of 9½ to 12½ percent. Although Italian exporters like being paid lollars, some of their buyers do not like borrowing dollars on contracts more than 8 years because of the currency risk.

An Italian official said the policy has caused a problem with Algeria, ich is a major buyer of Italian goods and services and does not want to ›e to repay its credits in dollars. But, so far, the Italian Treasury is ›nding firm on its dollar policy.

As would be expected, the rising costs at the government-sponsored ›ort programs have prompted even more intensive discussions of ways reduce their financial burdens. There have been the usual calls for vate organizations to take on more of the business, but this option is y taken seriously in Britain and West Germany. And it is unlikely that ingle European country would simply stop the subsidies, in effect laring "unilateral disarmament" in the war for export markets.

One British official says that the safest approach is a multilateral one. The multilateral approach to export credits is enshrined in what is ›wn as the "consensus agreement" among major non-Communist ustrial nations. The latest version, completed last autumn, managed to rates on such credits more closely to market levels. But it was omplished only after long, difficult months of negotiations.

For now, the export agencies seem to be getting the political support need to keep on subsidizing their operations. The political principle s to be that pressure to cut subsidies subsides when interest rates

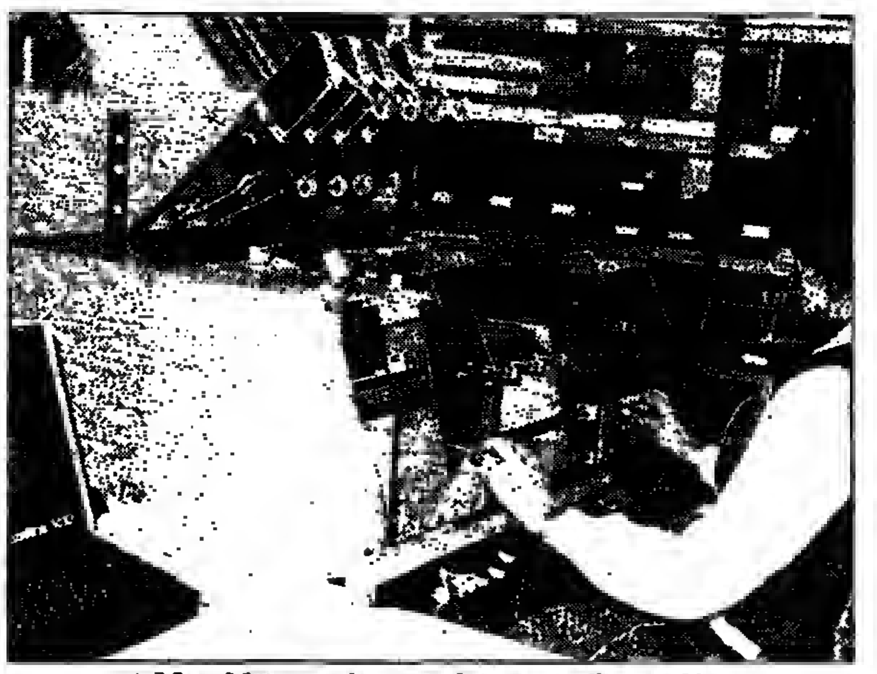
ritain is such a case. In December 1982, the British Treasury pub-

(Continued on Page 13, Col. 3)

Southern Germany Shifts Into High Tech

By Henry Tanner

International Herald Tribune



A Moto Meter employee works at a spooling machine.

STUTTGART — Moto Meter AG, which once was known for its precision mechanics, now makes highly sophisticated instrument panels for Mercedes-Benz, BMW and Volkswagen automobiles.

The company's increasing move into high-technology production signals a trend that has breathed new life into southern West Germany at a time when the heavy industries of the north are still struggling to shake off the effects of world recession.

Today, one-fourth of the value of Moto Meter's productioo consists of microelectronic components. Much of the work done by the 925 employees goes into processing 5 million of the tiny gadgets every month: fitting and integrating them, welding them, testing them and designing new uses.

Japanese robots and sophisticated computers have been installed in the plant in Leonberg, near Stuttgart. A score of electronics specialists have been added to the staff. The managing director, Rolf Berner, has a doctorate in physics; his predecessor was a businessman by training.

Mr. Berner predicts that within a few years, the last moving parts will have vanished from automobile control panels — there will be no more needles on speedometers or tachometers — and Moto Meter's entire production will be of electronic parts.

Bizerba, another medium-sized precision mechanics firm in the area, produces electronic scales that butchers and other merchants use to weigh merchandise and calculate its price. The company has gone from producing a mechanical product to a fully electronic one over a period of a few years.

The structural conversion of these two companies is typical of what is happening in the Stuttgart area and the rest of the state of Baden-Würtemberg, as well as in Bavaria, and particularly in the industrial agglomeration around Munich.

The southern area, once West Germany's most backward region, is racing ahead of the north, the traditional industrial heartland, in what economic writers here call "the race of the regions."

Baden-Würtemberg has the lowest unemployment rate of any state in the country — less than 6 percent, well below the national average of 10.2 percent. By contrast, the jobless rate in the northern port city of Bremen, and in the state of the same name, is above 12 percent.

Baden-Würtemberg also boasts the greatest number of new businesses, many of them in the high-technology field, according to Lothar Späth, the state premier.

"We don't have the structural problems that the northern industries have; we are diversified and ready to adapt to new technologies," said Mr. Späth.

Several research institutes have warned that West Germany is in danger of missing "the second industrial revolution" and losing out to competitors in Japan and the United States in high-technology industries. The extent of the danger is a matter of dispute. But no one denies that it exists.

"We are behind in the development of microprocessors and other electronic components, and this is beginning to affect production and profits," said Horst Rieger of the Stuttgart Chamber of Industry and Trade.

The problem, he said, is that West German high-technology companies that use microelectronic components in their production process or as part of their finished product are forced to import the parts, as Moto Meter does. That adds to the cost of their product, thus cutting profits and making the company dependent on the whims of foreign suppliers and markets.

One industrialist described how he buys microelectronic components — "Here, there and everywhere," often on a "spot market" when producers are underbidding each other. It is an unnerving way of procuring crucial raw materials, he said.

Small users of microelectronic components say the situation could change only if Siemens AG and Robert Bosch GmbH, the two West German giants, decided to gear up for long-term competition with the Americans and the Japanese. There is no evidence that the two companies are willing to make the necessary investments, a consultant said.

He added that small West German firms using highly sophisticated electronic components in their products are managing to hold their own in "some special corners" of the international market.

As an example that innovation has not

(Continued on Page 13, Col. 4)

AMC Earned $7.4 Million In 4th Quarter

The Associated Press

SOUTHFIELD, Michigan — American Motors Corp. said Tuesday that it earned $7.4 million in the fourth quarter of 1983, following 14 consecutive quarterly losses.

The results, in contrast to a loss of $2.9 million in the 1982 quarter, came on a 51-percent increase in sales, to $1.1 billion from $729 million.

However, AMC said it had a loss of $146.7 million for all 1983, narrower than the $153.5-million loss of a year earlier. Sales for the year were $3.3 billion, a 38-percent gain from 1982.

The report showed AMC sharing in what has become the U.S. auto industry's most profitable year ever.

AMC's performance was bolstered by the $190-million sale of its AM General Corp. truck-making subsidiary last year to LTV Corp. and the $51-million sale of AMC's headquarters building.

AMC is 46.6-percent owned by the French state-owned automaker Renault.

AMC produces the Renault Alliance and its hatchback derivative, the Renault Encore, which have been selling well. Last year was AMC's best sales year in seven years. But José Dedeurwaerder, AMC's president, said in an interview last month that AMC's future is threatened by companies that make bigger, more profitable cars and that AMC would develop such a car itself.

A steel industry journal last week said AMC was preparing to assemble a bigger car, the Renault R-25, in the United States and would bring it out for the 1986 model year.

General Motors Corp. and Ford Motor Co. already have reported record 1983 earnings of $3.73 billion and $1.67 billion, respectively. The combined total comes to about $5.6 billion — also a record for the industry.

Chrysler Corp. is scheduled to report its results this week.

AMC reported total losses of nearly half a billion dollars from 1980 through 1982.

Its sales rose about 71 percent from 1982 to 1983, and the company boosted its market share by 1 percentage point, to 2.8 percent.

AMC sold an estimated 192,744 cars last year, up from 112,433 in 1982 and the best since the 274,640 sold in 1976.

Paul Tippett, AMC's chairman, called 1983 a "watershed" in which the company introduced its first new line of Jeeps in 20 years, brought back all its laid-off Toledo, Ohio, Jeep workers and hired more, expanded its markets in Latin America and struck a joint venture deal for the production of Jeeps in China, beginning with 20,000 this year.

But it also was a year in which AMC stopped making cars of its own design in the United States. The company now designs and makes Jeeps in Toledo, Ohio, and assembles the Renault Alliance and Renault Encore subcompacts in Kenosha, Wisconsin.

"The credit for this year of achievement must go to our employees, our unions, our suppliers, our dealers and our partners at Renault," Mr. Tippett said.

NYSE Falls Sharply in Slow Session

United Press International

NEW YORK — The New York Stock Exchange, already worried about high interest rates, skidded Tuesday in 1984's second slowest session.

Mining issues were among the stronger stocks as bullion prices rose on international exchanges, indicating inflation fears have revived.

The Dow Jones industrial average, which fluctuated at the outset, dropped 9.53 to 1,139.34, the lowest level since it finished at 1,124.71 on April 8, 1983.

The Dow, which lost 6.07 Friday, has skidded 24.50 the past four sessions and 147.33 since the first week in January.

The Dow transportation average lost 5.78 to 496.53 and the Dow utilities average shed 0.05 to 124.61.

Declines topped advances 1,070-546 among the 2,010 issues traded.

The Big Board volume of 71.9 million shares, down from 77.3 million traded Friday, was the slowest since 71.3 million changed hands Jan. 3. The market was closed Monday for President's Day.

"The slow trading at this stage is almost encouraging," said Michael Metz of Oppenheimer & Co. "It shows selling pressure has eased up. I think institutions are ready to begin buying," Mr. Metz said. "They're just waiting for someone to start it off."

Investors are fearful that the government, which earlier this month reported a larger-than-expected 0.6 percent rise in consumer prices, will report a disturbing increase in producer prices Friday.

AT&T was the most active NYSE-listed issue, off ⅛ to 16¼. Inmos Ltd. of England rejected a $65-million AT&T takeover bid.

Among the regionals, Ameritech lost ⅜ to 67¼, Bell Atlantic ¼ to 71¾, BellSouth ⅜ to 93⅞, NYNEX ⅜ to 61½, Pacific Telesis ½ to 57½ and U S West ¾ to 60. Southwestern Bell was unchanged at 60½.

Baxter-Travenol was the second most active issue, off 1⅜ to 18⅛. The company raised its dividend to 8¼ cents a share from 7 cents but expects lower first-quarter earnings.

Ford Motor Co., which last week reported record earnings, was third, off 1½ to 36¼. General Motors fell 1 to 67⅜ and Chrysler ⅞ to 26⅞.

Among the mining stocks, ASA Ltd. rose 1½ to 62⅞, Campbell Red Lake ¼ to 28⅝, Homestake ⅞ to 33⅝, Newmont 1⅜ to 47⅞, Hecla 1⅛ to 21, Sunshine ½ to 13¾ and Callahan ⅝ to 23¼.

IBM, which introduced some new computer products, fell ⅜ to 109⅞. Among the other high-technology issues, Sanders Associates lost 2¾ to 36¾, Teledyne 2⅛ to 157¼, Motorola 2¾ to 112½, Control Data 1⅜ to 35⅜, General Instrument 2 to 26 and NBI 1⅝ to 22⅜.

ROLM Corp. jumped 2⅜ to 38⅜. ROLM began buying back 3 million of its own shares at $41 apiece.

Gulf Oil, a 3-point loser last week, shed 1⅜ to 52⅜.

Katy Industries, subject of takeover speculation the past year, plunged 4¾ to 19. The company said it knew of no reason for the activity in its stock.

Loews Corp., which had fourth-quarter earnings of $7.30 a share, up from $5.02 a year earlier, rose 5½ to 197. Loews declared a 2 ½-for-1 stock split.

To Our Readers

Beginning in this edition, Business People will appear twice a week, Wednesday and Friday, inside the financial section. Today's column is on Page 14.

Dollar and Gold Gain on Tensions Over Gulf War

United Press International

NEW YORK — Concern that the Iran-Iraq war could close a key oil route helped to boost the dollar Tuesday and pushed the price of gold sharply higher. But the dollar gave back some of the gains in New York.

The dollar was bid higher Mooday in Europe when the New York markets were closed for a holiday and rose again Tuesday in response to tensions over Lebanon and the Iran-Iraq war, dealers said.

In London, where the pound eased Monday, the dollar closed at $1.4447, almost unchanged from Monday's $1.4455. But in Frankfurt, the dollar closed at 2.7035 DM, almost 2 pfennigs above Monday's close. In Paris, the dollar closed at 8.3560 francs, up from 8.2915 Monday.

In New York, the dollar closed at 2.6998 DM, up from 2.6818 Friday.

In London gold finished at $388.50 an ounce, up from $385.45 Monday.

Bankers Say Pledges Arrive on Mexico Loan

United Press International

NEW YORK — Pledges for a new, $3.8-billion low-interest loan that Mexico is requesting for its foreign-exchange needs in 1984 still are coming in daily, banking sources said Tuesday.

Banks in the United States, Japan and Europe agreed in principle to the loan in December. Mexico's overall refinancing of $23 billion in debt falling due August 1982 through December 1984 was completed last year and the signing of the 27 separate agreements comprising the restructuring has been virtually completed.

An initial $3 billion in commitments to the new loan, mostly from large banks worldwide, came in almost immediately and sources on the bank committee said telexes are being received daily. Total commitments now stand at more than $3.2 billion.

William R. Rhodes, a Citibank vice president who is co-chairman of the bank committee for Mexico, has said he expects the loan will be signed by the end of February.

The proposed loan will carry annual interest of 1½ percentage points above the prevailing London interbank offered rate or 1⅛ percentage points above the U.S. prime rate, at the lender's option.

The comparable pricing for the $5-billion loan to Mexico in early 1983 was 2¼ percentage points above Libor and 2⅛ percentage points over U.S. prime and reflects Mexico's progress in implementing its adjustment program, Mr. Rhodes said.

The new rates will reduce Mexico's interest payments by about $35 million a year, bankers said.

Peru also received a lower interest rate in a rescheduling package signed Feb. 8 totaling $2.6 billion that included debt falling due through July 1985. Peru did not request a new loan.

Peru's interest rate on the refinancing of debt was 1¾ percent above Libor or 1½ percentage points over prime, down from 2¼ points and 2 points, respectively, on its 1983 refinancing.

Stronger Data Change Sentiment on Growth of U.S. Economy

By Karen W. Arenson

New York Times Service

NEW YORK — Only a month ago there was a toning down of economic forecasts as a stream of data seemed to suggest that the U.S. economy was slowing. Now the emphasis is being reversed.

Last month, economists were looking at data that showed that retail sales rose a paltry 0.1 percent in December. Industrial production, meanwhile, slowed to an annual growth rate of 6.3 percent, down from 9 percent in November and well below July's 31 percent.

Overall economic activity, as measured by the inflation-adjusted gross national product, was also more subdued than expected. Early reports indicated that it gained only 4.5 percent in the fourth quarter of 1983, compared with 7.6 percent in the third quarter and 9.7 percent in the second quarter.

All the data a month ago seemed to point to a slackening economy.

But a recent barrage of stronger-than-expected economic data is tilting sentiment back the other way, bolstering perceptions that the economy is continuing to grow at a steady pace and that it has not been sharply reined in.

Among indicators for January that have caught economists' attention are the 15-percent rise in housing starts, the 1.1-percent gain in personal income, the 2.2-percent jump in retail sales and the 1.1-percent surge in industrial production.

Furthermore, the GNP figure for the fourth quarter was revised upward to 4.9 percent from the preliminary 4.5 percent.

"The January numbers are coming in exceedingly strong," Edward H. Boss Jr., said vice president and senior financial economist at Continental Illinois Bank in Chicago. His bank is one of many to raise its first-quarter projections from a month ago.

Robert Eggert of Eggert Economic Enterprises, which conducts monthly surveys of economic forecasts, said, "Everything we looked at in January was just a shade better than we had expected. Auto sales were one signal of the strength. Housing was another. And color-television sales were at an all-time record."

Mr. Eggert said he expects to lift his forecast for the 1984 GNP to 5.4 percent, from 5.3 percent, and he looks for the average forecast from the 45 economists he surveys monthly to edge up from 5.2 percent.

Strong growth would seem to be healthy for an economy still facing high unemployment and relatively low capacity utilization.

But the thought disturbs some analysts, including many on Wall Street. Their concern, which is widespread but by no means universal, is that economic vigor combined with growing federal budget deficits will swell credit demand, forcing interest rates up.

A related prospect envisions the Federal Reserve Board tightening monetary policy to avoid an overheated economy, also stalling the recovery.

Edward S. Hyman Jr., chief economist at Cyrus J. Lawrence Inc., a brokerage house, said, "The stock market is so weak that I feel it is compelling evidence that something is happening out there, even though the economy looks strong."

For now, however, the economy seems to be showing signs of continued life. The economic data are not as exuberant as six months ago, but neither are they so anemic as to suggest that the recovery is in any danger of dying. The consensus among economists seems to be that the economy is continuing to grow at a solid pace.

"The economy is doing quite well," said Morris Cohen, an economic consultant in Hackensack, New Jersey, who expects the first half of 1984 to be strong, with economic growth of 5 percent to 6 percent. "My major concern now is that the second half may be stronger than I thought, though I am not changing my forecast yet."

Donald Ratajczak, director of the economic-forecasting project at Georgia State University, also finds the signs of activity impressive.

Housing sales have been stronger than he anticipated. "December sales were up a ton, and they stayed high in January, so the figures seem to be legitimate," Mr. Ratajczak said. "The lending institutions have shifted the interest-rate risk on mortgages onto the buyer. But now they are giving an up-front discount to compensate for that."

As for employment, he noted: "It's not that we have so many extra people working; it's that the payroll work week is up four-tenths of an hour. That means more income and more spending."

Mr. Ratajczak does not expect February to look as strong as January. "I'll be shocked if the February numbers are anywhere near January's," he said. Despite this, he now looks for 6-percent annual growth in the current quarter, up from his previous estimate of "5-plus." He said, "It's just going to be a very strong quarter."

Given the economy's apparent continuing strength, why did the economy just a month ago look so much weaker? Economists offer various explanations, including weather and quirks in government spending.

Mr. Ratajczak, for example, points out that bad weather-depressed December sales, particularly in such sectors as restaurants, food stores and refining.

Echoing a complaint voiced by several economists, he added, "People are trying to read too much into each monthly wiggle."

To Mr. Cohen, one source of the December weakness may have been that the Commodity Credit Corp.'s net purchase of farm crops fell almost $4 billion, depressing GNP growth by 1 percent. "Such swings are likely to be reversed fairly quickly," he said.

But there are still some dissenters who argue that increasing pessimism is more justified than increasing optimism.

Gert von der Linde, chief economist at Donaldson, Lufkin & Jenrette, said, "My conviction is that the economy slowed much more in January than the data show."

High interest rates, he contended, are taking more of a toll on the economy than is generally realized.

CURRENCY RATES

Late interbank rates on Feb. 21, excluding fees.
...ial fixings for Amsterdam, Brussels, Milan, Paris. New York rates at 4:00 pm EST.

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
...erdom	3.056	4.423	112.795 *	36.57 *	0.1826	—	5.506 *	137.57 *	130.46 y
...sels(a)	55.40	80.31	20.48	6.637	3.31 *	18.159	—	24.98	23.48 *
...kfurt	2.7035	3.915	—	32.41 *	1.617 x	88.65 *	4.883 *	121.95 *	1.1555 *
...on (b)	1.4447	—	3.9042	12.0304	2,412.63	4.3996	79.89	3.3024	337.885
	1,174.00	2,424.20	617.99	200.37	—	548.10	30.176	753.90	7.148
...York(c)	—	1.445	2.6898	8.305	1,662.00 *	3.0338	55.11	2.2103	233.80
	8.356	12.073	308.46 *	—	4.99 x	273.55 *	15.066 *	376.41 *	3.5665 *
	233.95	338.39	86.71	28.13	14.03 *	76.97	424.90 *	105.69	—
	2.2153	3.2058	82.08 *	26.63 *	0.1326	72.80 *	4.0041 *	—	0.9473 *
	0.8292	0.5734	2.2454	6.9282	1,388.87	2.5323	45.9863	1.8416	194.25
	1.04638	0.722538	2.83402	8.74355	1,751.64	3.1977	58.0636	2.3224	244.801

Dollar Values

Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$	$ Equiv.	Currency	Per U.S.$
Australian $	1.0582	1.142	Irish £	0.8757	0.4698	Singapore $	2.1286
Austrian schilling	19.065	0.0076	Israeli shekel	131.575	0.8155	S. African rand	1.2262
Belgian fin. franc	57.38	3.4118	Kuwaiti dinar	0.2931	0.0013	S. Korean won	797.30
Canadian $	1.2502	0.4279	Malay. ringgit	2.337	0.0065	Span. peseta	154.80
Danish krone	9.8745	0.1299	Norw. krone	7.4975	0.1251	Swed. krona	7.9925
Finnish mark	5.778	0.0712	Phil. peso	14.0545	0.0249	Taiwan $	40.18
Greek drachma	102.30	0.0074	Port. escudo	134.58	0.0435	Thai baht	22.975
Hong Kong $	7.798	0.2849	Saudi riyal	3.5105	0.2723	U.A.E. dirham	3.6725

...ing: 1.2687 Irish £
...mmercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) ...of 100 (x) Units of 1,000 (y) Units of 10.
...not quoted; N.A.: not available.

INTEREST RATES

...rocurrency Deposits

Feb. 21

Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
9 ⅝ - 9 ¾	5 ⅝ - 5 ¾	3 ⅛ - 3 ¼	9½ - 9⅝	13⅛ - 13⅜	9⅝ - 9¾	8⅞ - 9⅛
10 - 10⅛	5⅝ - 5¾	3 ⅛ - 3 ¼	9 ⅝ - 9 ¾	14⅞ - 15⅛	9 ⅞ - 9 ⅞	9 - 9¼
10 ⅛ - 10 ¼	5 ⅝ - 5 ¾	3 ⅛ - 3 ¼	9 ⅝ - 9 ¾	15½ - 15⅝	9 ⅝ - 9 ¾	9½ - 9⅝
10¼ - 10⅜	5⅞ - 6	3¼ - 3⅜	9 ¾ - 9 ⅞	15 ⅝ - 15 ⅞	9⅝ - 10	9⅝ - 9⅞
9¾ - 9⅞	6 ⅛ - 6 ¼	4 - 4⅛	9¾ - 9⅞	15½ - 15⅝	10 - 10¼	9½ - 9¾

...es applicable to interbank deposits of $1 million minimum (or equivalent).

...y Money Rates

...ed States	Close	Prev.
...nt Rate	8½	8½
...al Funds	9⅝	9 ⅞
...Rate	11	11
...Loan Rate	10½	10½
...Paper, 30-179 days	9.45	9.35
...h Treasury Bills	9.10	9.14
...h Treasury Bills	9.24	9.29
...0-59 days	9.19	9.16
...0-89 days	9.25	9.18
Germany		
...rd Rate	5.50	5.50
...ght Rate	5.55	5.55
...onth Interbank	5.60	5.55
...h Interbank	6	5.90
...n Interbank	6.10	6
...al Rate	5	5
...oney	5 ⅜	5 ⅜
...Interbank	6⅛	6 ⅛

Britain	Close	Prev.
Bank Base Rate	9	9
Call Money	9 ⅞	9 ⅞
91-day Treasury Bill	8 57/64	8 57/64
3-month Interbank	9 ⅜	9 ⅜
France		
Intervention Rate	12	12
Call Money	12⅛	12⅛
One-month Interbank	12⅝	12⅝
3-month Interbank	12½	12 ⅜
6-month Interbank	12⅝	12⅝

...s: Commerzbank, Bank of Tokyo, ... Bank.

GOLD PRICES

	A.M.	P.M.	Ch'ge
Hong Kong	384.45	385.05	+ 0.70
Luxembourg	389.00	—	+ 4.75
Paris (12.5 kilo)	388.09	388.04	+ 3.54
Zurich	386.25	389.35	+ 4.10
London	388.25	389.00	+ 3.75
New York	388.40	—	+ 3.70

Official fixings for London, Paris and Luxembourg, opening and closing prices for Hong Kong and Zurich, New York Comex current contract. All prices in U.S.$ per ounce.

NYSE Most Actives

	Vol.	High	Low.	Close	Chng
AT&T n	25997	17	16½	16¾	— ½
BaxtTr s	21729	19⅝	17⅞	18½	—1⅜
FordM s	10934	37¼	36	36¼	—1½
Sears	9216	35¼	34⅝	34¾	— ¾
WestgE	7758	47⅞	47⅛	47¼	— ⅜
GulfCp	7174	53½	52¼	52⅝	—1⅜
Exxon	6854	38⅛	37⅞	37⅞	+ ⅛
PhilPet	6778	42¾	41¾	42⅛	— ¼
IBM	6592	109⅞	108⅝	109⅜	— ⅜
TxsUtil	6316	23⅜	23	23¼	+ ¼
INCO	6306	13⅜	13¼	13⅜	— ¼
BeatFd	6025	34⅞	33¾	34¼	—1½
GMot	5877	68⅝	67¼	67⅜	—1
AMR Cp	5732	28⅝	27⅝	28½	+ ½
NSemi s	5706	13¼	12¼	12⅝	— ¾

Dow Jones Averages

	Open	High	Low	Close	Chng
Indus	1148.14	1153.79	1134.00	1139.34	— 9.53
Trans	503.28	505.59	493.83	496.53	— 5.78
Util	124.57	125.58	123.65	124.61	— 0.05
Comp	449.94	452.31	443.90	446.27	— 3.64

NYSE Diaries

	Close	Prev.
Advanced	545	657
Declined	1074	881
Unchanged	392	446
Total Issues	2011	1984
New Highs	8	11
New Lows	103	44
Volume up	15,949,321	
Volume down	45,227,500	

NYSE Index

	High	Low	Close	Ch'ge
Composite	89.52	88.94	88.97	— 0.62
Industrials	104.26	103.57	103.62	— 0.77
Transp.	84.66	83.45	83.45	— 1.07
Utilities	44.95	44.75	44.80	— 0.11
Finance	88.41	88.20	88.20	— 0.79

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Feb. 17	196,838	340,127	4,942
Feb. 16	203,032	362,868	4,645
Feb. 16	251,681	393,576	2,553
Feb. 14	314,653	427,303	4,267
Feb. 13	313,609	424,463	7,919

*Included in the sales figures

Tuesday's NYSE Closing

Vol. at 4 p.m.	71,890,000
Prev. 4 p.m. Vol.	77,280,000
Prev Consolidated Close	91,571,510

Tables include the nationwide prices Up to the closing on Wall Street

AMEX Diaries

	Close	Prev.
Advanced	204	251
Declined	347	289
Unchanged	226	229
Total Issues	777	769
New Highs	5	4
New Lows	29	31
Volume up	1,781,420	
Volume down	2,039,800	

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	249.96	— 1.37	252.43	259.17
Industrials	281.56	— 1.69	285.17	313.51
Finance	268.88	— 1.04	270.57	220.72
Insurance	247.93	+ 0.25	247.86	228.13
Utilities	224.19	— 4.16	223.15	319.63
Banks	203.66	— 1.56	205.22	182.67
Transp.	241.07	— 2.11	246.48	213.43

Standard & Poors Index

	High	Low	Close	Ch'ge
Industrials	175.58	174.10	174.33	— 1.25
Transp.	135.95	133.80	134.90	— 1.57
Utilities	65.24	64.90	64.98	— 0.21
Finance	17.20	16.98	17.00	— 0.19
Composite	155.74	154.47	154.54	— 1.10

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	71.03	— 0.02
Utilities	53.97	+ 0.02
Industrials	74.10	— 0.05

AMEX Most Actives

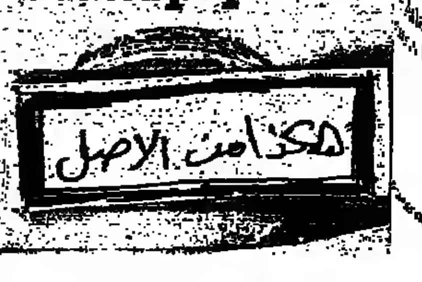
	Vol.	High	Low.	Close	Chng
DorGas	5247	21¼	20⅝	21	+ ⅛
EchoB n	3296	7⅜	7¼	7⅜	+ ¾
WangB	1660	28¼	27¼	27⅜	— ⅜
BrnFB	1231	28½	28	28⅛	— ¼
PetLew	1016	6⅛	5⅞	6	
NtPatnt	978	22	20½	20⅝	—1⅞
Cyprus	598	3½	3⅜	3⅜	— ⅛
Vrbtm s	565	21⅛	11⅛	11⅛	— ⅜
InstSy	477	3½	2⅞	2⅞	— ⅛
Helzer	454	14	13½	13¾	+ ⅜

AMEX Stock Index

High	Low	Close	Ch'ge
205.75	204.10	204.21	— 1.45

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
A										
19¾	9½	AAR	.44	2.3	23	285	18¾	18¾	18¾	
52⅝	30½	ACF	1.40	3.3	538	592	43½	43	43	— ¼
22	18⅛	AMCA n	1.00	5.5		4	18⅛	18½	18⅛	
18⅞	14½	AMF	.50	3.5		1293	14¼	14⅛	14½	
50⅝	50	AMF pf	.59e	1.2		650	50⅝	50⅜	50⅝	+ ⅜
41¼	21	AMR Cp			6	5732	28⅝	27⅞	28½	+ ½
20⅝	16⅜	AMR pf	2.18	11.2		19	19⅝	19⅝	19⅝	— ¼
41½	25⅞	AMR pf	2.16	7.1		81	31	30	30	— ⅛
[illegible]										
11¼	5⅝	Brock	.10	1.7		130	4⅛	6	6	— ⅛
19½	15⅝	Brckwy	1.32	8.4	525	14	16⅛	15⅝	15¾	
34	27¼	BkyUG	3.00	10.0	7	30	30¼	29⅝	30½	— ½
23¼	20⅝	BkUG pf	2.47	11.3		31	21⅞	21⅞	21⅞	— ⅛
24	30½	BkUG pf	3.95	12.9		4	30⅝	30⅝	30½	— ½
39¼	19¼	BrokF n	.16	.5	12	161	31⅞	20¼	20¼	—1¼
20⅞	14⅛	BwnSh	.20	1.1		23	18⅝	17⅞	17⅞	— ¾
39⅞	27¾	BwnGp s	1.28	4.3	9	148	29¼	28⅝	28⅝	— ½
47⅝	32½	BrwnF	.96	3.0	14	1571	24¼	33⅞	34	— ¼
32¼	12⅞	Brnwk s	.40	2.4	9	247	25⅝	25¼	25½	— ¼
[illegible]										
19⅝	15½	DelmP	1.80	9.9	7	177	18¼	10	18⅛	
51	29	DeltaAr	.00	1.5		1122	33⅛	32⅝	23	+ ¼
15½	7⅛	Deltona				124	7⅜	7	7	— ¼
47⅝	36	DixChk	1.36	3.5	11	40	23½	37¼	37⅞	+ ⅛
39	27⅛	DenMfg	1.60	5.3	10	82	21⅛	29¾	29⅝	—1⅛
39¼	28¼	Dennys	.72	2.3	11	945	21½	30⅝	31¼	+ ¼
37¼	20	DeSoto	1.24	4.3	9	45	29¼	21	29⅜	— ⅛
16	12⅜	DetEd	1.68	13.0	6	1923	13⅛	12¾	12⅞	— ⅛
48	49½	DetE pf	7.45	14.3		120z	53	52⅛	52⅞	— ⅞
61	49	DetE pf	7.36	14.3		200z	50	50	52	
[illegible]										
13	7⅛	GlobM	.24	2.3	5	397	7⅜	7¼	7⅜	+ ½
25¼	24⅛	GlobM pf	2.50	14.1		50	25	24⅞	24¾	— ⅛
19⅝	7⅞	GldNg s			10	1053	11½	11⅛	11¼	— ¼
8	4	GldN wt				333	4½	4½	4⅛	— ⅜
30½	15⅝	GldWF	.09e	.5	5	336	19	18⅝	18⅝	— ⅜
43⅞	29⅝	Gdrich	1.56	6.0	44	42	31⅜	31¼	31⅜	— ¼
10½	8½	Gdrch pf	.97	11.1		890z	8¾	8¾	8¾	+ ½
34½	25½	Goodyr	1.40	5.7	9	5087	26	24⅝	24⅝	—1¼
22⅝	12⅞	GordJ s	.48	2.4	9	16	15½	18⅛	18¼	— ⅛
43¾	25¼	Gould	.68	2.4	28	587	28⅝	27¾	27¾	— ¾
59⅜	38½	Grace	2.80	7.2	12	659	39½	38⅝	39⅛	+ ¼
[illegible]										
21½	13⅞	Lawtint	.80	4.9	16	247	16⅞	16⅛	16⅜	— ½
21¼	12⅝	LearPt	.20	.9	11	60	22⅝	22¼	22⅝	+ ¼
30¾	25½	LearP pf	2.87	10.9		23	26¼	26	26¼	
49½	21¾	LearSg	1.00	4.0	9	151	40⅝	40⅝	40½	— ¼
120	80	LearS pf	2.25	2.3		1	100	100	100	
25⅛	16	LeaRnt s	.36	2.2	15	44	16½	16	16½	+ ⅛
47⅝	25½	LawyTr	1.50	4.4	10	47	33⅝	32½	32½	—1
25⅝	19⅞	LeeEnt	.72	2.4	73	18	21⅞	21¾	21⅞	
18⅞	9⅝	LgMas n	.20	2.7	6	25	9⅜	9⅜	9⅝	— ½
24⅝	13½	LegPlt s	.44	2.3	11	32	19	18¾	19	+ ⅛
5	1¼	LehVal				78	3⅜	3	3	— ⅜
[illegible]										
O										
14⅞	4⅝	OakInd				209	5¼	5	5¼	+ ⅛
27½	22⅝	OakiteP	1.32	5.2	38	5	24½	24⅛	24½	+ ⅛
29	18	OcciPet	2.50	9.0	26	4251	28¼	27⅞	27⅞	— ¼
89⅝	34½	OcciP pf	4.00	4.6		1	87¾	87¾	87¾	—2
21¾	18⅞	OcciP pf	2.50	12.0		4	20⅝	20⅝	20⅞	— ⅛
19⅞	12	OcciP pf	2.30	12.2		37	18¾	18⅝	18¾	— ⅜
112½	92	OcciP pf	15.50	14.0		987	121	110½	211	+ ⅝
107	100⅞	Occi pf	14.62	13.4		10	106¼	105⅞	106	+ ⅛
33½	17¼	ODECO	1.00	2.8	11	155	36⅛	24⅝	24¼	+ ⅛
[illegible]										
12½	5⅞	Quanex				96	9⅝	9⅝	9⅝	
26⅝	14⅝	QkReil n	.10e	.7	18	56	15	14⅝	14⅝	— ½
R										
30¼	13⅝	RBInd	.16	1.0	22	61	16⅛	16	16	— ⅛
38⅛	22½	RCA	.90	3.0	15	2084	33⅜	31⅝	31⅞	+ ⅛
87½	54	RCA pf	4.00	5.5		5	73	72⅞	73	— ½
30⅝	23⅛	RCA pf	2.73	7.8		60	27¼	26⅞	27⅞	+ ¼
33½	28¼	RCA pf	3.65	11.2		23	32⅝	32⅝	32⅝	
12¼	6¼	RLCs	.20	2.2	10	421	9⅛	9	9	
18⅞	13	RTE	.50	3.7	8	98	13⅝	13⅝	13⅝	— ½
31	19⅝	RalsPur	.72	3.5	10	1927	26⅜	26⅛	26⅜	— ½
11⅞	6⅝	Ramad			61	376	8	7⅝	7⅝	
21½	16⅝	Ranco	.84	4.6	11	12	18⅛	18⅛	18⅛	— ⅛
13⅝	5⅝	RangrO			11	682	8⅝	8½	8⅝	— ⅛
93	59⅝	Raycm	.44	.8	18	222	56⅝	56⅝	56⅝	— ⅛
14⅝	7	Raymk				39	9⅝	9⅝	9⅝	+ ⅛
57½	37⅝	Raythn	1.40	3.5	11	1843	40⅝	40	40⅝	— ⅞
18½	10⅜	ReadBt	.40	3.6	18	148	11	10⅞	11	
27	20⅞	RdBat pf	2.12	9.8		24	21⅝	21⅝	21⅝	
26	23	RdBat pf	2.25e	9.8		8	23	23	22	— ¼
13⅝	10⅜	RitRef	1.40	12.2	8	5	11½	11¼	11½	
17½	9	RecnEq			22	97	12⅝	12⅛	12⅜	— ⅜
27½	12⅝	Redmn	.30	2.3	16	105	13⅝	13	13	+ ⅛
2⅞	1¼	Regal				31	1½	1⅜	1½	+ ⅛
38⅝	20¼	ReichC	.40	2.2	18	3	27	27	27	— ⅛
10⅝	3½	RepAir				587	4⅛	4⅛	4⅛	— ⅛
4¼	1⅛	RepA wt				68	1⅜	1⅛	1⅛	+ ⅛
36¼	21	RepCp	.40	2.2	18	7	27⅞	27⅝	27⅞	+ ⅛
50	35½	RepNY	1.60	4.2	7	60	38⅛	37⅞	38¼	+ ⅛
27¼	22½	RNY pfC	3.12	12.1		17	25⅞	25⅝	25⅝	— ⅛

(Continued on Page 14)



BUSINESS ROUNDUP

Warner Says Net Fell 79% In Quarter; Atari Woes Cited

Reuters

NEW YORK — Warner Communications Inc. on Tuesday said its 1983 losses were partly due to poor results by the company's Atari subsidiary, which was hurt by problems in the video game and home computer industries.

The company reported fourth-quarter profits of $6.9 million, a 79-percent decline from the year-earlier profits of $33 million. For the year, the company posted a loss of $417.8 million, after a 1982 profit of $257.8 million.

Warner said its total debt at year end was $824 million, down from $1.21 billion in the third quarter.

It listed fourth-quarter revenue as $1.05 billion, off 10 percent from the year-earlier $1.16 billion. Revenue for the year was $3.43 billion, a 14-percent drop from $4.09 billion in 1982.

The company said it experienced strong showings in its film, entertainment, recorded music and consumer products divisions, resulting in fourth-quarter operating income of $6.9 million.

Warner said the consumer electronics unit, which includes Atari, had fourth-quarter operating losses of $2.2 million, compared to a profit in the year-earlier period of $1.2 million.

The Atari division turned in a much-improved performance in the fourth quarter, after reporting large losses during the first nine months.

Atari sales in the fourth quarter were aided by strong sales of the 600 XL and 800 XL home computers, and of the 2600 video computer system and the 5200 supersystem game console, Warner said.

Warner said its Warner/Amex division, operated as a joint venture with American Express Co., had substantial losses, larger than had been expected.

W. German Prices Rose 0.6%

Reuters

WIESBADEN, West Germany — The index of West German producer prices rose 0.6 percent last month over December, and was 2.3 percent higher than in January 1983, the Federal Statistics Office said Tuesday. The index, base 1980, showed year-on-year increases of 1.7 percent in December and 1.4 percent in November.

BHP Says Offer By Bell Frozen

Reuters

MELBOURNE — Bell Resources Ltd.'s tender offer for 16 million Broken Hill Proprietary Co. shares has been frozen for two days by the Supreme Court of Victoria, a BHP spokesman said Tuesday, but Bell contested the claim.

The offer was due to open at noon Melbourne time and brokers expected Bell Resources, a unit of Robert Holmes à Court's Bell Group Ltd., to quickly gain its objective, equal to about 4.6 percent of BHP's issued capital.

The spokesman said BHP applied for an injunction and the hearing was adjourned by consent for 48 hours, effectively freezing the offer until Thursday. But in Perth, Mr. Holmes à Court said the BHP spokesman had erred in saying that the offer had been frozen. He said that Bell had received six million acceptances so far to its tender offer. Bell had agreed not to register the shares after recording the receipt of acceptance, he added.

Brazil Tried to Persuade the U.S. To Drop Penalty Duties on Steel

Washington Post Service

SAO PAULO, Brazil — Senior Brazilian officials tried last week to persuade the Reagan administration to drop high-penalty duties on steel imports in exchange for a Brazilian agreement to limit steel sales to the United States.

The 27.7-percent tariff on plate and sheet steel was imposed two weeks ago, after the U.S. Commerce Department had ruled that Brazil had illegally subsidized its steel production. Officials in São Paulo said the tariff would remove Brazil's competitive edge in the U.S. market.

The dispute comes at a time when commercial relations between the United States and Brazil are at a low point.

Brazil wants to maintain its favorable trade balance with the United States in order to gain hard currency to pay interest on its external debt. But the Reagan administration is under increasing domestic pressure to control imports.

After the Brazilian officials held talks last week in Washington with top trade officials, Brazil's commerce and industry minister, Camilo Penna, vowed that his country would export 1.2 million tons of steel to the United States this year, with or without a tariff.

Dieso Asencio, the U.S. ambassador in São Paulo, disputed that figure, saying the figure is likely to be closer to 900,000 tons. The current figure is about 1 million tons.

Steel exports to the United States bring about $1.3 billion a year to the Brazilian economy. Officials in São Paulo said those sales are crucial to keeping Brazil's pledge to the International Monetary Fund to achieve a $9-billion trade surplus this year.

This surplus would go toward the $11-billion interest payments due to be paid this year to financial institutions in the industrialized world and multilateral lending institutions.

Of the nation's $100-billion external debt, about $7.7 billion has been invested in steelworks operated by the state-owned Siderbras.

Mr. Penna, the commerce and industry minister, said Brazil's modern mills can produce quality steel at 60 percent of U.S. prices, but added, "they won't buy, because it creates unemployment in Pittsburgh."

Mr. Penna said that Brazil has no choice but to repay its foreign debt in goods and services.

U S West Forming Management Firm

United Press International

OMAHA, Nebraska — U S West Tuesday announced formation of a national telecommunications-management company to provide U.S. companies with systems installation, maintenance, engineering and consulting services.

Interline Communications, a subsidiary of U S West, is to be based in Omaha. U S West, a $15-billion holding company created by the break-up of American Telephone & Telegraph Co., also is the parent company of Mountain Bell, Northwestern Bell and Pacific Northwest Bell as well as several unregulated subsidiaries.

COMPANY NOTES

Elf-Aquitaine, the French state-controlled petroleum company, plans to raise about 1.5 billion francs ($180.91 million) through a 1-for-10 rights issue, a company spokesman said. It will lift Elf's capital to just over a billion francs.

Hercules Inc. of the United States and Sumitomo Chemical Co. Ltd. of Japan plan to set up a joint venture in the United States to produce polyacrylonitrile precursor for use in carbon-fiber production, Sumitomo said. Hercules, which makes carbon fiber, is currently supplied with precursors by Sumika-Hercules Co., jointly owned by Hercules and Sumitomo.

Hospital Corp. of America, a hospital manager and owner, raised its quarterly dividend to 12½ cents a share from 10 cents, payable April 30.

Kawasaki Heavy Industries Ltd. of Japan said it had signed an agreement with Cadam Inc. of California to set up a joint-venture company, Cadam Services Co., in Japan in April to develop and market computer software. Cadam, owned by Lockheed Corp., currently sells software in Japan and south Korea through Fujitsu Ltd. and IBM Japan Ltd. for design connected with the aerospace, steel, automobile and construction industries.

McGregor Corp., a clothing maker, said in New York it received tenders of about 4.15 million shares of toiletries maker Fabergé Inc., 95 percent of the stock outstanding, in response to its offer of $32 a share for up to 2.2 million shares. The offer expired Feb. 17.

Nisshin Steel Co. of Japan said it will study the possibility of producing about 3,000 metric tons of stainless steel in China annually in a joint venture with the Tianjin city authority.

Rolm Corp. of Santa Clara, California, a supplier of digital business communications systems, is offering to buy three million of its shares at $41 each, starting Tuesday. The right to withdraw tendered shares will end March 6, and the offer will expire March 13.

Trafalgar House PLC said the price of its acquisition of 50 percent of Gammon Hong Kong Ltd. has been agreed on, as anticipated, at 200 million Hong Kong dollars ($25.67 million). Trafalgar announced in October that it was buying the stake in Gammon, a construction company, from Jardine, Matheson & Co.

Volvo will recall about 30,000 turbocharged vehicles, sold mainly in the United States, Canada, Japan and Puerto Rico, to adjust generator cables to prevent their insulation systems from overheating, and about 18,000 others to be adjusted to prevent possible leakages of brake fluid, a company spokesman said in Gothenburg, Sweden.

Credit Plans Deep in Red

(Continued from Page 11)

lished a report by a team of ministry economists, led by Ian Byatt, deputy chief economic adviser. The report concluded that export subsidies are an inefficient way to protect jobs and cost the taxpayer about £500 million a year.

But now that the report has been made public, according to British Treasury officials, two of the factors that triggered it have been somewhat rectified: Interest rates generally have come down and the latest agreement among major industrial nations on export credits brought lending fees more in line with market rates. "The decrease in interest rates and the new consensus — where consensus rates are tied to average bond rates automatically — does very well for stage one," says a British Treasury official.

International Herald Tribune

Grumman Gets Contract

Reuters

BETHPAGE, New York — Grumman Corp. said it received a combined $160-million contract to manufacture 270 shipsets of thrust reversers for Gulfstream Aerospace Corp. and Fokker of the Netherlands.

Southern Germany Moving Into High Tech

(Continued from Page 11)

vanished in West Germany, he cited the recent invention of the "Lithotripter," a device that uses shock waves to destroy kidney stones and reduce them painlessly to fine particles without physical contact with the patient. The device was developed by Dornier, the aviation manufacturer in Friedrichshafen on Lake Constance. It came on the market last year. About 20 of the $1-million units are in use in West German hospitals, and deliveries to other countries have begun.

Mr. Späth, the Baden-Würtemberg premier, is credited with having recognized the emerging high-tech gap and having moved quickly to narrow it.

He has established research institutes for microelectronics, data-processing and molecular biology, each attached to a university.

In an interview, he spoke proudly of having persuaded leading industrialists to set up a financing foundation and to pledge the 60 million Deutsche marks ($22.4 million) needed for the microelectronics institute. The money for the other institutes has also been pledged, he said.

Eventually the institutes will finance their own operations through income from research assignments conducted for industrial companies.

The state has named a former university president as its delegate for technology. His task includes the creation of a network of counseling services for aspiring high-tech entrepreneurs.

A leading consultant, however, said that while Mr. Späth is creating a favorable climate for high-technology development, the decisive push can come only from the central government in Bonn, in the form of a reduction of the present 56-percent tax on capital profits.

This is a frequently heard demand. Another is that the West German stock market be reorganized along U.S. lines to give industrialists access to risk capital. At present, it is said, a company can register only by going through a bank, which can take three years.

Ironically, southern West Germany is in a favorable position to respond to the high-technology challenge because of some initial disadvantages. It has neither the raw materials nor the proximity to the ocean that provided a boost for the heavy industries of the north.

After World War II, the northern industries were given priority because their products were needed in the rebuilding of the country.

Out of necessity, the southerners became artisans and developed small and medium-sized enterprises devoted to high-quality, precision work. A tradition of flexibility and openness to change grew up.

In addition, the automobile industry, which long ago sunk its roots in southern Germany, proved more crisis-resistant than the steel mills and shipyards of the north.

"Everyone wants a car, even the unemployed, but not everybody buys a boat," said a smiling Mr. Berner of Moto Meter.

Unit of Peugeot Broke Even in '83

Reuters

PARIS — Peugeot SA's Talbot Motor Co. subsidiary is likely to report that it broke even in 1983. A company spokesman said that earnings for the second half would be about the same as the £1.54 million ($2.2 million) it earned before taxes in the first half.

The spokesman confirmed reports that Peugeot has resumed talks with the British government on an aid request for its investment program at the Talbot plant in Ryton, near Coventry.

But the spokesman said the talks are merely a continuation of earlier ones that were interrupted when Peugeot management had to concentrate on the violent strikes at Talbot's Poissy plant near Paris in December and January.

BUSINESS PEOPLE

A Morgan Takes Lead Role For Morgan Grenfell in U.S.

Morgan Grenfell & Co., the Loodoo-based merchant bank, has appointed **John A. Morgan** chairman and a member of the board of Morgan Grenfell Inc., its subsidiary in New York.

Mr. Morgan, 53, is a great-great grandson of **Junius Spencer Morgan**, one of the founders of Morgan Grenfell's predecessor firm, J.S. Morgao & Co. His great-grandfather and his grandfather, both named **J.P. Morgan**, built Morgan Bank into one of the leading banks of the early 1900s. His father was one of the founders of Morgan Stanley.

"It's more efficient to have a senior American as chairman of our New York operations," said **Christopher Whittington**, who is based in Londoo and has been named executive vice chairman of the New York unit. "And it never hurts to have a Morgan in there," said a London-based analyst.

Not only will Morgan Grenfell be looking to bolster its mergers and acquisitions business io the United States, but it is "looking at things" like risk arbitrage, trading in U.S. government securities, arranging industrial-revenue bonds, and domestic pension management io the United States, said Mr. Whittiogton.

The company said that Mr. Morgan's post as chairman of Morgan Grenfell Inc. will be a non-executive one and he will therefore continue as senior partner of Morgan Lewis Githens & Ahn, a New York investment banking firm he helped found in 1982.

Koning Is Proposed As Grundig Chairman

Herman Koning will be oominated as chairman of Grundig AG if the West German Cartel Office approves Philips NV's bid to raise its stake in the consumer-electronics coocern to 31.6 percent from 24.5 percent, effective April 1.

Mr. Koning, 59, is chairman of Allgemeine Deutsche Philips Industrie GmbH, the West German holding company for Philips. He would succeed Max Grundig, the company's founder and chief.

Pan Am Posts Established

Pan American World Airways has created an office of the chairman "in a move to streamline the company's senior management orgaoization," the New York-based carrier said.

The reorganization is effective March 1. The chairman's office will be composed of C. Edward Acker, chairman and chief executive officer, and two vice chairmen — Gerald L. Gitner, formerly executive vice president, finance, and Martin R. Shugrue Jr., formerly senior vice president, marketing.

Mr. Shugrue, 43, joined Pan Am in 1968 as a pilot-flight engineer. He subsequently held executive posts in the personoel, labor-relations and field marketing departments, including that of regional managing director for the United Kingdom aod Western Europe, based in London. Mr. Gitner, 38, joined Pan Am in March 1982 as senior vice president, marketing and planning, from People Express.

Other Appointments

André George, a partner of Price Waterbouse & Partners, has been appointed special financial adviser to the Luxembourg government on financial matters relating to the restructuring of the Luxembourg steel iodustry. Mr. George has been with Price Waterhouse & Partners since it was formed in early 1983. Before that he was with the French treasury and the international division of Société Générale, before serving as director of finance and treasury at the European Iovestment Bank from 1974 to 1982.

E.K. Den Bakker, chairman of the executive board of Nationale-Nederlanden NV, the Netherlands' largest insurance group, will retire at the end of the year. Named to succeed him is **T.C. Braakman**. **O. Hattink** will become deputy chairman of the executive board.

Dow Chemical has appointed **Frank P. Popoff** a vice president. Mr. Popoff, 49, will continue to serve as president of Dow Chemical Europe, a post he has held since January 1981. He has been a member of the Dow board since December 1982. Dow Europe is an operating area of the Midland, Michigan-based chemical concern that eocompasses Eastern and Western Europe, the Middle East and Africa. Mr. Popoff is based at Dow Europe's headquarters in Horgen, near Zurich.

Raymond Wright has been appointed general manager of National Advanced Systems U.K., succeeding **John Clements**, who continues as vice president for Northern Europe. Mr. Wright was managing director of United Financial Services, a subsidiary of United Leasing PLC, a British leasing coocern. National Advanced Systems, a unit of National Semiconductor Corp., is a supplier of IBM-compatible computer systems and related products.

André de Sike has been appointed to the board of Paris-based Charterhouse SA, which was formed in 1972 to provide development capital to private French companies. Charterhouse SA is owned by Charterhouse J. Rothschild.

Morgan Guaranty Trust Co. of New York has appointed **Rodney B. Wagner** vice chairman of the credit-policy committee. He will oversee the bank's loan-portfolio management, including country limits, sovereign credit advisory, and the financial analysis department. In addition, Mr. Wagner will continue to work oo senior banking assignments and special projects for clients in Asia, the Middle East and Africa.

BAT Industries has appointed **Sir Denis Mountain** and **David Jessel** directors. Sir Denis is chairman and managing director and Mr. Jessel is deputy chairman of Eagle Star Holdings PLC, which recently was acquired by the London-based tobacco, retailing and paper concern. In addition, **Patrick Sheehy** and **Brian Garraway** have been appointed to the boards of Eagle Star Holdings and Eagle Star Insurance Co. Mr. Sheehy is chairman and Mr. Garraway deputy chairman of BAT.

Aérospatiale, the French state-owned aerospace concern, has appointed **Michel Thomas** head of the helicopter division, succeeding **François Legrand**. Succeeding Mr. Thomas as president and general director of SECA and Sogerma, units of Aerospatiale that specialize in aeronautic maintenance, is **Jacques Hablot**.

— BRENDA HAGERTY in London

EC Ministers Assail Protectionism in U.S.

Reuters

BRUSSELS — The European Community Tuesday noted with "disquiet" what it called rising protectionist pressures in the United States.

Its foreign ministers, meeting here, said in a statement that measures under consideration in Washington could affect $4.7 billion of EC exports to the United States.

The statement was issued shortly after the ministers rejected French-led efforts to open proceedings in the General Agreement on Tariffs and Trade, which regulates world trade, to limit imports of U.S. cereal substitutes.

Diplomats said ministers contended that the EC could not warn the United States against breaking its free-trade commitments while pursuing protectionist measures of its own.

They said the statement was meant to support President Ronald Reagan's anti-protectionist administration in resisting strong pressures in this U.S. election year.

The ministers' statement recognized that the Reagan administration "has taken a firm stand against protectionist pressures," but said the situation remained alarming.

The statement noted that Washington had been asked to take action on imports including steel, wine and machine tools.

The ministers warned that U.S. action "could lead to a dangerous increase in trade restrictions and to a rapid erosion of the open multilateral trading system on which world prosperity depended.

They also reminded Washington of the commitment at last year's Williamsburg summit to halt protectionism and reverse it by dismantling trade barriers.

The diplomats said ministers from Britain, West Germany and the Netherlands were among others who opposed issuing a tougher statement, fearing it might undermine the administration's attempts to stem protectionism.

They had earlier argued it was untimely to take action on corn gluten, a cheap cereal substitute used for animal feed.

But the ministers agreed that the EC's aim remained to stabilize imports of this product once the EC had reformed its largely protectionist cereals and dairy subsidies system, the diplomats added.

Grains

Livestock

Food

U.S. Futures Prices Feb. 21

Financial

Metals

Industrials

Stock Indexes

Market Guide

Chicago Board of Trade: Wheat, corn, soybeans, soybean meal, soybean oil, oats, fresh broilers, T-bonds, GNMA, 10-yr T-notes, plywood. Chicago Mercantile Exchange: Cattle, feeder cattle, hogs, pork bellies, lumber, S&P composite index. New York Mercantile Exchange: Maine potatoes, platinum, heating oil. Coffee, Sugar and Cocoa Exchange, New York: Coffee, sugar, cocoa. Cotton Exchange, New York: Orange juice, cotton. New York Comex: Copper, silver, gold. Int'l Monetary Market: T-bills, CD's, Eurodollars, British pound, Canadian dollar, French franc, German mark, Japanese yen, Swiss franc. Kansas City Board of Trade: Value Line. New York Futures Exch.: NYSE composite index.

Commodity Indexes

	Close	Previous
Moody's	1,047.10 f	1,051.10 f
Reuters	1,960.30	1,961.80
D.J. Futures	141.20	140.91

Moody's: base 100: Dec. 31, 1931.
p - preliminary; f - final
Reuters: base 100: Sep. 18, 1931.
Dow Jones: base 100: Dec. 31, 1974.

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street

(Continued from Page 12)

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a— dividend also extra(s).
b— annual rate of dividend plus stock dividend.
c— liquidating dividend.
cld— called.
d— new yearly low.
e— dividend declared or paid in preceding 12 months.
g— dividend in Canadian funds, subject to 15% non-residence tax.
i— dividend declared after split-up or stock dividend.
j— dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k— dividend declared or paid this year, an accumulative issue with dividends in arrears.
n— new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd— next day delivery.
P/E— price-earnings ratio.
r— dividend declared or paid in preceding 12 months, plus stock dividend.
s— stock split. Dividend begins with date of split.
sls— sales.
t— dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u— new yearly high.
v— trading halted.
vi— in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd— when distributed.
wi— when issued.
ww— with warrants.
x— ex-dividend or ex-rights.
xdis— ex-distribution.
xw— without warrants.
y— ex-dividend and sales in full.
yld— yield.
z— sales in full.

COMPANY EARNINGS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Dividends Feb. 21

Company	Per	Amt	Pay	Rec
INCREASED				
Anchor Hocking	Q	.37	3-19	3-5
Central Bancshares	Q	.33	4-1	3-15
Duquesne Light Co	Q	.51 ½	4-1	3-2
Genuine Parts	Q	.38 ¼	4-2	3-9
Hospital Co Amer	Q	.12 ½	4-20	3-30
Ohio Edison Co	Q	.46	3-30	3-7
PSC of N Carolina	Q	.43	4-1	3-9
PROPOSED STOCKS SPLIT				
Glatfelter (P.H.) — 3-for-1				
STOCK				
Syncom Corp		300%	3-20	3-15
STOCK SPLITS				
Astrocom Corp — 3-for-2				
Byers Communications — 3-for-7				
Genuine Parts — 3-for-2				
IC Industries Inc — 2-for-1				
Illinois Tool Works — 2-for-1				
Loews Corp — 2 ½-for-1				
Pasquale Food — 3-for-2				
Wendy's International — 4-for-3				
USUAL				
Wendy's Intl	Q	.04	3-14	3-7

London Metals Feb. 21

Figures in sterling per metric ton. Silver in pence per troy ounce.

	Today		Previous	
High grade copper cathodes:				
spot	998.00	999.00	1,003.50	1,004.00
3 months	1,020.00	1,020.00	1,023.50	1,024.00
Copper cathodes:				
spot	988.50	989.00	990.00	991.50
3 months	1,008.50	1,009.00	1,011.00	1,011.00
Tin: spot	8,600.00	8,610.00	8,620.00	8,630.00
3 months	8,740.00	8,745.00	8,765.00	8,766.00
Lead: spot	284.00	284.50	285.50	286.00
3 months	293.75	294.00	294.50	295.00
Zinc: spot	675.00	676.00	675.00	676.00
3 months	669.50	670.00	669.00	669.50
Silver: spot	637.00	638.00	632.00	633.00
3 months	652.00	653.00	647.00	647.50
Aluminium:				
spot	1,022.50	1,023.50	1,032.00	1,033.00
3 months	1,048.50	1,047.50	1,057.00	1,058.00
Nickel: spot	3,100.00	3,190.00	3,200.00	3,210.00
3 months	3,263.00	3,265.00	3,280.00	3,284.00

Paris Commodities Feb. 21

Sugar prices in francs per metric ton. Other prices in francs per 100 kg

	High	Low	Close		Ch'ge
SUGAR					
May	1,605	1,570	1,588	1,590	+22
Aug	1,715	1,692	1,694	1,698	+24
Oct	1,784	1,765	1,765	1,770	+25
Dec	1,845	1,845	1,845	1,850	+30
Mar	1,995	1,995	1,995	1,999	+30
May	2,065	2,060	2,065	2,075	+39
Est. vol.: 700 lots of 50 tons. Prev. actual sales: 1,197 lots. Open interest: 11,044					
COCOA					
Mar	2,100	2,055	2,060	2,080	+5
May	2,160	2,070	2,107	2,114	+4
Jly	N.T.	N.T.	2,104	—	+14
Sep	2,200	2,185	2,150	2,165	+5
Dec	2,100	2,165	2,140	2,145	+6
Mar	N.T.	N.T.	2,125	—	+15
May	N.T.	N.T.	2,125	—	+15
Est. vol.: 290 lots of 10 tons. Prev. actual sales: 151 lots. Open interest: 1,172					
COFFEE					
Mar	N.T.	N.T.	2,455	2,490	+5
May	2,370	2,350	—	2,380	+20
Jly	N.T.	N.T.	—	2,290	+20
Sep	2,190	2,190	2,245	2,265	Unch.
Nov	N.T.	N.T.	2,230	2,250	—10
Jan	N.T.	N.T.	2,190	—	+9
Mar	N.T.	N.T.	3,180	—	+15
Est. vol.: 18 lots. Prev. actual sales: 20 tons. Open interest: 261					
SOYBEAN MEAL					
Mar	210	207	—	710	+2
May	202	200	196	200	Unch.
Jly	N.T.	N.T.	191	—	—1
Sep	N.T.	N.T.	198	—	—1
Oct	N.T.	N.T.	198	—	—1
Dec	N.T.	N.T.	207	212	—1
Jan	N.T.	N.T.	208	213	—1
Est. vol.: 25 lots of 00 tons. Prev. actual sales: 5 lots. Open interest: 238					

London Commodities Feb. 21

Figures in sterling per metric ton. Gasoil in U.S. dollars per metric ton.

	High	Low	Close		Previous	
SUGAR						
Mar	120.25	117.00	119.00	119.75	117.00	117.00
May	126.75	123.95	126.25	126.75	123.50	123.75
616 lots of 50 tons.						
COCOA						
Mar	1,752	1,693	1,693	1,685	1,740	1,742
May	1,754	1,693	1,696	1,697	1,739	1,740
Jul	1,752	1,698	1,703	1,704	1,742	1,745
Sep	1,745	1,700	1,700	1,701	1,736	1,737
Dec	1,739	1,689	1,688	1,689	1,725	1,729
Mar	1,727	1,683	1,683	1,684	1,717	1,724
May	1,723	1,680	1,680	1,684	1,713	1,720
5,602 lots of 10 tons.						
COFFEE						
Mar	2,066	2,046	2,047	2,048	2,064	2,065
May	1,945	1,932	1,935	1,936	1,933	1,935
Jly	1,861	1,853	1,852	1,851	1,861	1,852
Sep	1,822	1,808	1,817	1,818	1,810	1,811
Nov	1,788	1,780	1,785	1,787	1,779	1,780
Jan	1,752	1,743	1,748	1,750	1,743	1,745
Mar	1,719	1,714	1,716	1,710	1,715	1,720
4,255 lots of 5 tons.						
GOLD						
Feb	388.90	388.90	388.90	388.90	388.50	390.00
Apr	394.00	390.60	392.60	393.00	390.60	391.00
Jun	399.00	399.30	398.80	399.60	395.70	396.00
Aug	406.70	405.00	405.40	406.00	402.10	403.50
Oct	N.T.	N.T.	N.T.	N.T.	408.50	410.50
Dec	N.T.	N.T.	N.T.	N.T.	415.50	417.90
791 lots of 100 troy oz.						

Cash Prices Feb. 21

Commodity and Unit	Tue	Year Ago
Coffee 4 Santos, lb	1.52	1.43
Printcloth 64/30 38 ½, yd	0.85	0.61
Steel billets (Pitt.), ton	453.00	420.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	97-98	62-63
Lead Spot, lb	24-28	20½
Copper elect., lb	69¾-71	87½
Tin (Straits), lb	6.3248	6.5673
Zinc, E. St. L. Basis, lb	0.51	0.40
Palladium, oz	159-162	124-126
Silver N.Y., oz	9.13	14.49

NYSE Highs-Lows Feb. 21

NEW HIGHS 8

AMF pf, AlMoana s, Asiainc, GettyOil pf, Leucad adj p, PhillipsPet, StOOh pfA, Tonka Corp

NEW LOWS 103

AhmanHF, ALLTEL Co, Amfesco, Anacomp, Avcot, AutoData, Avco Corp, BallyMfg, BkAm spcl pf, BauschLb s, BaxterTrav s, Bearings, BellHwl pfA, BurlngtInd, CLC Am, CTS Corp, Centel, CentrlData, CinMilcrn, Coleco, Coleman, Campbvsn, CnPw 4 40pr, ContlIllCp, ComirData, Cook Unit, Cooprvsn n, Deltona Cp, Edwards, ElTorito n, ElcorCp, ElMemMg, EmerRad s, EngelhardCp, Essex Ch, FabriCtr, Fairchild pf, FinCpAm, Firestone, FlowGenl, Fruehf pf, GTE Corp, GTE PF, GapStores, Geninst, GibrltFin, Goodyear, Gull SloUl, GHSU 4 40pr, HanJhn Sec, Hazeltine s, HomestdFin n, HuttonEF s, Inlond Stl, Interco pf, Interfst, Ipco Corp, JohnsJn, KCSoulnd, Loral s, MACOM, Madisn Fd, MascoCp, May DStr, MimnMM, MitelCp, MooreCp, NWA 6 10pf, NutriSys, OrionPict, OwensCng, PaineWebr, PandickInc n, Penney JC, PhilInd pf, Pettatch, ProctGamb, PredRsh s, PSInd 4 32pf, Purolator, QuickRell n, Revham Cp, Ryan Hom, Ryder Sys, RylandGp s, SCA Svc, Schering Plgh, Singer Co, SwstAirl s, StauffChm, SuoMkt s, TowleMfg, TowleMfg pf, TW Corp n, TribuneCo n, TwUM n, Tymshare, UNC Res, Viacom, Viacom 7 10c, WestPtPep, Whirlpool, Winnebago

AMEX Highs-Lows Feb. 21

NEW HIGHS 5

BeltranCp, BicCorp, RepGyps s, Sandgate, UnimaxCo pl

NEW LOWS 29

AllanTre s, AlphaInd, AmExpr wt, BRT Realty, BallyMfg wt, Blount s, Brad Natl, CareCpA, ComaCon s, Cordian, CntrCred, DiamondBath n, EagleClth n, Espril n, Fitchbg GE, Hiptronics, IntlHydrn n, JacobsEng, KapokCp, KnogoCp, McCorO n, McDowEnl, McRae B, MountMed, NHamp BB, Sallron, SquareD wt, UnicpAm wt, Wellco Ent

SPORTS

The Associated Press

om Seaver loosening up Monday with his new teammates.

Vith Final Blast at Mets, eaver Pitches In for Sox

ompiled by Our Staff From Dispatches

SARASOTA, Florida — Tom aver, "mentally spent," joined Chicago White Sox Monday d, in his sharpest criticism yet of New York Mets, asked: "How ild they be so blind?"

The 39-year-old pitcher said "it s a huge mistake" for the Mets to protect him from the free-ent compensation pool last nth. "I find it unbelievable. Not ause I'm Tom Seaver, but how ild they be so blind to what an ividual meant to an organiza-n and what he might mean to t organization in the future? y have no concept of that.

I pitched well last year, and 40 cent of the home attendance sed through the turnstiles when tched. Then they let this happen told me they were sorry it hap-ed. I'm still in a kind of disbe-that they couldn't see the forest the trees."

eaver joined the White Sox for r third workout of spring train-and received a proper if some-t restrained greeting from his teammates. Manager Tony ussa shook hands with Seaver then allowed him to work out is own.

hen Seaver, in the blue shirt white pants of his new team, t to the mound. After starting games in the National League, winning 273 of them, he was ching to the American League is 18th season. He tossed the lightly for eight minutes.

aRussa, who led the White Sox e championship of the league's tern Division last year, repeat-is assurances that Seaver would become merely his solid staff's 5 pitcher.

He also acknnwledged that Seaver appeared somewhat solitary. "I know be's a man of independence. We won't intrude nn that. But we have a lot of togetherness oo this club. You do the program here."

When he finished his workout, Seaver walked into the little wooden clubhouse and sat down. Only three days earlier, be had been home in Connecticut, stalemated with the White Sox over his contract. He finally agreed to accept the $750,000 base pay stipulated in his contract with the Mets, and the White Sox agreed to liberalize the bonus poyments, starting with $50,000 if he pitcbes 150 innings.

"There's a new uniform and new people. I've never even seen Comiskey Park, or Fenway Park in Boston, or the stadiums in Toronto or Texas.... That'll all work out. It's a matter of time. There's an underlying factor that makes it work: pitching."

The addition of Seaver (9-14 with the Mets last season) rounds out what could be one of the most devastating pitching staffs in the major leagues. LaMarr Hoyt won the Cy Young Award with a 24-10 record, Richard Dotson was 22-7, Britt Burns was 10-11 and Floyd Bannister finished at 16-10 — winning 13 of his last 14 decisions.

"I can win anywhere between 16 and 20 games with this club," predicted Seaver, the three-time Cy Young winner who pitched the Mets to the World Series championship in 1969.

"This is an established club. They've had a taste of winning but not a full mouthful yet. I hope I can help with that." *(NYT, AP)*

Keegan Throttles Down From 100-Plus

International Herald Tribune

LONDON — The English, fast pupils of the American arts of work ethic and overstatement, see the best soccer players as those who give "110 percent" and the best teams as those that run "at 100 miles per hour."

They pause to consider the use nf words about as often as their players slow down to acquire the touch of subtlety needed to prize open mass defenses. Their yardstick is raw physical effort, from which springs the coaches' ultimate compliment (or perhaps the ultimate plus 10 percent).

Kevin Keegan has been their prime exhibit, a player whose mileage puts your average marathoner to shame. Keegan, the most modern of the modern millioaaire sportsmen, chose St. Valentine's day (his 33d birthday) to disclose that he will retire after this season.

He also chose, inevitably, tn profit by his announcement, issued exclusively through a newspaper. Thus we might say, Joseph Kevin Keegan succeeded all the way to the end in extracting more from his talents than any of his contemporaries have.

By fanatical application in the stadiums and on the training field, he scaled every height available to a club player. By seldom passing up the main chance, he secured his millionaire's way of life.

Not bad for the son of a coal miner. And not bad for a player spurned as too small a teenager to make the professional grade. Maybe that snnb explains why, in the next breath after his notice to quit, Keegan disclosed a desire to ride a horse in a future Grand National at Liverpool.

It was, after all, at Liverpool that Keegan's superstardom blossomed. And it was playing for his latest club, against Liverpool, that he recently realized the athleticism on which his fame was built is deserting him.

The two men who most influenced his beginnings — his father, Joe, and his former manager, Bill

ROB HUGHES

Shankly — are, sadly, dead; but the other unflagging believer, his wife Jean, stands to be the main benefactor of his retirement.

He promises a more "normal" existence in which he will share the upbringing of Laura-Jane, 5, and Sarah-Marie, 2. Let us hope that, when the withdrawal pangs leave him (they never did leave his mentor, Shankly), Keegan can truly settle fnr normality.

Soccer has consumed his every waking day for 17 years — and many childhood days before that. His imagination stretched to a career as goalkeeper but his physique never rose to it. Even as a forward, he was rejected after trials with Coventry and resigned himself to amateur Sunday league play with a brassworks reserve team.

Then a talent scout for Scunthorpe United looked at his bubbling enthusiasm rather than his size and, from that opportunity with a lower-order club, Keegan matured until, at 20, he moved to Liverpool.

The price, that day in 1971, was $33,000, hardly sufficient these days to keep his pet racehorses in training for long.

Keegan and Shankly were a hand-in-glove fit: Each had coal dust in his family and soccer in his marrow; there was an enthusiasm between them that flowed like electricity. "Keegan," Shanks used to say, "ignited the place."

Tommy Smith, Liverpool's hard-man captain of that time, captured the mood: "From the start, Kevin had the crowd in the hollow of his hand. He ran like he was wound up, took on opponents big enough to drive him into the ground with a tap on the head and left them looking like they'd slipped on a banana skin." Precisely, Mr. Smith. Precisely.

Tn confound those of us who suspected he might burn out a body that refused to grow much above 5-foot-7 (1.70 meters), he now runs up against retirement on his own terms. A yard of pace is gone, but no more than a morsel of hunger.

He plays as if he dare not lose, a compulsion that once landed him in a hospital. While filming a television "Superstars" segment in 1977, he fell off a racing bike, tearing flesh from a shoulder. He refused aid, remounted and completed the course to win the overall title.

That night Keegan collapsed with intestinal pains. A doctor warned: "The human body is designed to run at, say, 70 miles an hour; you've been running at 110." (There we go again — that magic number.)

He was also being ferociously marketed. Off his back were hawked aftershave and sportswear, biscuits and baked beans, ice cream and gasoline, chewing gum and trucks. Money for TV appearances, books and ghost-written columns was stashed in an Isle of Man tax haven. And, being a man raised to give value for money, he fretted. He smiled to disguise fatigue, and he alone knows how he held body and mind together.

For Liverpool he won the European Cup in 1977. Keegan then sought challenge, fame and fortune with SV Hamburg, stubbornly resisting its initial locker-room jealousy to twice emerge as Europe's player of the year. The West Germans dubbed him "Mighty Mouse;" more than once the public paid £2,500 (these days, about $3,600) for the pleasure of an hour's autograph signing.

Rich by now, he came home in 1982 to play for Southampton and to lay the foundations of a family residence.

Yet immediately after the '82 World Cup, bitter at being dropped after a decade with the national team, he walked out on Southampton to revitalize the sleeping giant of Newcastle — 400 miles (644 kilometers) north. Newcastle fans flocked to his flame, but despite the private jet, the luxury car and the $90-a-night hotel suite, four days a week away from his family were destroying Keegan.

And fate took Newcastle to Liverpool in the FA Cup a few weeks ago. As Liverpool won, 4-0, old father time froze out Keegan in front of a once adoring crowd. He knew, the moment Liverpool's Mark Lawrenson chased and caught him, that the old pace had waned.... "I felt outclassed," he said, "for the first time in my life."

Few would compare Keegan's industry to George Best's fleeting genius; yet Keegan indisputably achieved and earned more. The supreme self-made player, he squandered nothing. He had aberrations of ill temper and bouts of neurosis, but buried them beneath a painstakingly polished image.

"The letters which mean most," be said last week, "are from mums who say their boys are not naturally gifted, but if they work as I did they might achieve something. I'd like tn be remembered as a hard-working, dedicated player who achieved an awful lot more through hard work than players who maybe began with more ability."

But first he has to break the addiction.

He has tn stnp running, bas tn learn to walk and to walk away. Last Saturday, by the way, he scored for Newcastle.

The Associated Press

Keegan: Getting more from his talents than any of his peers.

College Basketball Polls

The Associated Press

NEW YORK — The top 20 teams in The Associated Press college basketball poll (first-place votes, total points, records through Sunday and last week's ranking):

	Record	Pts	Pvs
1. No. Carolina (61)	23-1	1239	1
2. Georgetown (1)	23-2	1169	2
3. Houston	23-3	1097	4
4. Kentucky	20-3	996	6
5. DePaul	19-2	878	2
6. Illinois	20-3	843	7
7. Nevada-Las Vegas	23-2	841	5
8. Oklahoma	22-3	818	9
9. Texas-El Paso	22-2	728	10
10. Tulsa	22-2	652	12
11. Arkansas	21-4	600	14
12. Memphis St.	19-4	559	8
13. Purdue	18-5	468	11
14. Duke	21-5	382	19
15. Wake Forest	18-5	269	13
16. Syracuse	17-5	233	16
17. Temple	20-2	218	20
18. Washington	18-5	209	15
19. Auburn	16-6	155	—
20. Oregon St.	18-5	151	—

United Press International

NEW YORK (UPI) — The United Press International top 20 basketball poll (first-place votes and records through Sunday):

1. No. Carolina (23-1) (40)	628
2. Georgetown (23-2)	578
3. Houston (23-3) (2)	534
4. Kentucky (20-3)	461
5. DePaul (19-2)	406
6. Illinois (20-3)	378
7. Nevada-Las Vegas (23-2)	318
8. Oklahoma (22-3)	302
9. Texas-El Paso (22-2)	298
10. Tulsa (22-2)	197
11. Arkansas (21-4)	186
12. Purdue (18-5)	177
13. Memphis St. (19-4)	141
14. Washington (18-5)	72
15. Oregon St. (18-5)	57
16. Syracuse (17-5)	48
17. Temple (20-2)	47
18. Auburn (16-6)	40
19. Duke (21-5)	39
20. Illinois St. (19-4)	36

College Basketball Scores

EAST

Bowdoin 97, MIT 78
Connecticut 62, Providence 59
Hartford 78, Trinity 63
Manhattan 47, Lafayette 45
St. Bonaventure 75, Boston U. 60
Upsala 67, NYU 53

SOUTH

Alabama 74, Mississippi 65
Delta St. 90, N. Alabama 80
Florida 70, Georgia 64
Florida St. 52, Tulane 51
Georgia Tech 70, Maryland E. Shore 61
LSU 85, Mississippi St. 70
Louisville 90, Wright St. 69
Memphis St. 69, So. Mississippi 67 (OT)
NE Louisiana 60, SE Louisiana 55
Navy 66, E. Carolina 56
So. Carolina St. 65, Florida A&M 64
So. Florida 58, Ala.-Birmingham 57
Tennessee 57, Auburn 54
Tenn.-Chattanooga 63, Davidson 60
Va. Military 64, Citadel 62
W. Virginia 68, Virginia Tech 67
W. Carolina 88, Furman 85 (2 OT)

MIDWEST

Evansville 61, Detroit 59
Loyola 75, St. Louis 64
Ohio Wesleyan 67, Wooster 54
Oral Roberts 105, Butler 100
Xavier (Ohio) 68, Oklahoma City 59

SOUTHWEST

Abilene Christian 97, Texas A&I 75
New Mexico 49, Air Force 48
Sam Houston 77, Howard Payne 69
Texas-El Paso 62, Colorado St. 55

WEST

Cal-Irvine 97, Pacific (Calif.) 66
S. Oregon 62, Pacific (Ore.) 57

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
NY Islanders	37	22	2	76	264	215
Washington	35	22	4	74	235	183
NY Rangers	33	20	8	74	243	228
Philadelphia	32	18	9	73	256	211
Pittsburgh	13	42	5	31	188	278
New Jersey	12	43	5	31	175	258
Adams Division						
Buffalo	39	16	6	84	258	199
Boston	36	20	4	76	262	201
Quebec	32	22	6	70	276	210
Montreal	28	28	5	61	233	224
Hartford	20	32	8	48	228	249
CAMPBELL CONFERENCE						
Norris Division						
Minnesota	30	26	5	65	267	268
Chicago	23	32	7	53	211	236
St. Louis	23	32	6	52	218	245
Detroit	22	32	7	51	227	256
Toronto	21	34	6	48	228	295
Smythe Division						
Edmonton	42	14	5	89	339	252
Calgary	25	32	12	62	230	240
Winnipeg	21	27	10	52	251	278
Vancouver	23	33	6	52	239	255
Los Angeles	19	30	12	50	246	277

Monday's Result

Los Angeles 3, Minnesota 2 (Taylor 2 (13), MacLellan (22); Ashton (7), Bellows (35)).

The Associated Press

WELCOME TO THE NHL: U.S. Olympian Scott Bjugstad, playing in his first game for Minnesota, was decked in Monday night's early going by Mark Hardy of Los Angeles. "I'm glad I got hit," said Bjugstad, whose lip was cut on the play. "That'll teach me to keep my head up in this league."

Transition

BASEBALL

National League

HOUSTON—Signed Enos Cabell, third baseman, to a two-year contract.

PHILADELPHIA—Signed Charles Hudson, Tony Ghelfi, Jay Tibbs and Don Carman, pitchers; Juan Samuel, second baseman; and Steve Jeltz, utility infielder.

FOOTBALL

United States Football League

ARIZONA—Signed Lupe Sanchez, defensive back, to a three-year contract. Traded two future draft choices to Philadelphia for Mark Buben, defensive tackle. Cut Dan Lloyd, linebacker; Dennis Bishop, Robert Dillon and Donnie Johnson, cornerbacks; Alfondia Hill, wide receiver; Theodore Sutton, running back; Kevin Seibel, kicker, and Manirandy Taylor, defensive tackle. Placed Carl Allen, cornerback; Robert Barnes, offensive lineman; Nick Eyre, offensive tackle; Mark Stevenson, offensive guard; Tim Wrightman, tight end, and Anthony Edgar, running back, on injured reserve.

CHICAGO—Cut David Betz, kicker; Darryl Clark, fullback; Mike Spivey, safety; Eddie Roy Walker, cornerback; Mike Weston, center, and Larry White, defensive tackle.

DENVER—Cut Mike Hirn, tight end, and Dan Niederhofer, linebacker. Placed Robert Johnson, running back, on injured reserve.

HOUSTON—Cut James Davis and Jerry Gordon, wide receivers; Calvin France, running back; Junior Filiaga, nose guard; Ken Hartley, punter; Darrel Jackson, quarterback; Steve Jacson, center; Merv Krakau, linebacker, and Roy Robinson, defensive end.

JACKSONVILLE—Released Bo Dennis and Steve Harper, tight ends; Brian Franco, kicker; Aaron Mitchell, safety; Jay Pennison, center; Wilbur Phillips, linebacker; Joe Robinson, offensive lineman; John Skibinski, running back, and Ted Vincent, defensive end. Placed Terry Porter, defensive back, on injured reserve. Placed Buck Belue, quarterback; Charlie Oeon, defensive back; Warren Gray, offensive lineman; Marvin Dyett, defensive end; John McLean, linebacker, and Sam Platt, running back, on the developmental list.

NEW JERSEY—Traded Steve Doolittle, linebacker, to New Orleans for a 1985 draft pick.

NEW ORLEANS—Cut Brad Johnson, center; Pete Speros, guard; Vince Manalla, punter; Frank Roberts, offensive lineman; Gaylord Paol, safety, and Mike Perko, defensive end. Placed Jeff Quinn, quarterback; Anthony Steels, running back; Chris Combs, tight end; Marlon Brown, wide receiver; Rex Burningham, offensive lineman; John Andreoli and Steve Doolittle, linebackers; Jeff Marell and Clint Wenzel, defensive lineman, and Garrett Chase, defensive back, on the developmental roster.

OKLAHOMA—Cut Sam Adams, offensive guard; Rick Engles, punter; Mike Caterbone, wide receiver; Rick Moser, fullback; Ish Ordonez, kicker; Andre Hines, tackle, and Ron Ingram and Lonnie Kennell, receivers. Traded Joe Gary, defensive end, to Birmingham for a future draft choice.

PHILADELPHIA—Traded Frank Case, defensive end; Rodney Parker, wide receiver, and Ross Kirkpatrick, offensive lineman, to San Antonio for future considerations. Placed Vinnie DiMarinis, linebacker, and Dwan Hanks and Roger Jackson, wide receivers, on injured reserve.

HOCKEY

National Hockey League

LEAGUE—Suspended Detroit wing Joe Paterson for two games for receiving his fourth game misconduct penalty of the season.

VANCOUVER—Returned Jean-Marc Lanthier, right wing, to Fredericton of the American Hockey League. Recalled Jere Gillis, left wing, from Fredericton.

WINNIPEG—Added Marc Behrend, goaltender, to the roster.

COLLEGE

ARIZONA ST.—Named Rex Norris football defensive line coach.

STONY BROOK—Named Dr. Jerry Howell head football coach.

Undefeated Devil's Bag Romps in 1st Outing at 3

United Press International

HIALEAH, Florida — Unbeaten Devil's Bag, syndicated last fall for a record $36 million, romped to a 7-length victory Monday in his debut as a 3-year-old in the Flamingo Prep at Hialeah Park. It was the sixth consecutive victory for the 1983 2-year-old horse of the year, who hadn't raced since October.

Carrying 122 pounds, Devil's Bag covered the 7 furlongs in 1:21-3/5, a second off 1977 Triple Crown winner Seattle Slew's track record. Trainer Woody Stephens said the colt's next outing will be in the 1⅛-mile Flamingo Stakes on March 3, the first major tuneup in the East for the Kentucky Derby.

OBSERVER

A Matter of Seconds

By Russell Baker

NEW YORK — When the tax collector calls I whine as much as you do. but afterward I used to feel good. That was because of the warm feeling brought on by the sense that I had done something for my country.

"Ask not what your country can do for you," President Kennedy counseled. "Ask what you can do for your country." This was sound advice. The sense that you have done something for your country not only makes you sleep more smugly at night. but also makes you feel important.

Aside from a few million people who actually work for the government and serve in the military. though. there isn't an awful lot most of us can do for our country. Oh. you can stick a flag decal on your car, pick up discarded candy wrappers and empty beer cans from the sidewalk. obey the laws and so on. but activities like these don't really require any sacrifice.

This is why paying taxes was always so satisfying. once the pain had passed. Taxes were a sacrifice made for the country.

Sure it was hard. but I had always been comforted by the thought that I was helping keep the great engines of democracy throbbing. There was satisfaction in thinking that without me the nation would be less secure, the poor would be poorer. the courts would be even more fragile, the Congressional Record would contain more typographical errors and there would be fewer doorkeepers dozing outside the Senate chamber.

I no longer have that feeling.

□

The blame lies with a calculator that happened to be handy when the newspapers arrived with their impenetrable stories about the latest Reagan budget. In the past the money figures in these stories have been so gross that my pencil-and-paper arithmetic was never able to cope with them. Have you ever tried to divide 837.679.937.621 by 89.320.672 using a blunt pencil point on the back of an envelope?

The calculator's presence at my elbow opened a new horizon. "Aha!" I said. "With this miraculous machine. I will simply divide my federal tax payment into the total budget figure and find out how much of America I am supporting these days."

The budget calls for spending $925.5 billion in one year. Perhaps my calculator is incorrect. perhaps my fingers were so palsied with shock that they hit the wrong keys, but if not — the federal government will spend $105.650.680 an hour, 24 hours a day. for 365 days.

I know certain people who can spend $680 an hour, maybe for as long as two or three hours in succession, but if you asked them to do it for 24 consecutive hours they would accuse you of brutality.

I don't know anyone who can spend $650.680 in an hour without suffering nervous collapse, but there are doubtless a few people who can do it, and perhaps even do it for a second and third hour. Even these people, though, would. I suspect, blanch at also trying to spend another $105 million.

□

To get the problem down to human scale, I asked the calculator how much the government planned to spend per second. Its answer: $29.350.

Here at last was a figure that an ordinary mortal could relate to his tax bill. With the government spending around the clock at the rate of about $29.350 a second, you can readily imagine something your tax payment can buy.

A modest yawn and stretch by the average person, for example, requires about five seconds. Hence, if you pay taxes of $146.750 what you might be doing for your country is enabling a Senate doorkeeper to lean back in his chair and draw air deep into his diaphragm. You want something more exciting? Half the countdown from 10 to blastoff at a rocket launching.

If you are in the lower brackets, paying only, say, $15.000 in taxes, the government consumes your contribution in half a second. You might like to think of yourself as financing the time it takes the doorkeeper to brush a fly off his nose or, more dramatically, as paying for one swipe of a dust cloth at the Oval Office doorknob.

Is this really doing something for your country? I guess so. Still, when it takes a year to amass it and half a second to spend it you can't help wondering about the necessity of doorkeepers and doorknobs.

New York Times Service

Portrait of an Arab Diplomat

Prince Bandar bin Sultan Is Saudi Arabia's Man in Washington

By Donnie Radcliffe

Washington Post Service

WASHINGTON — When Bandar bin Sultan was a captain commanding the 7th Royal Saudi Air Force Squadron, a pilot he knew came up to tell him what a lucky guy he was.

"You've got a big home, expensive automobiles. you're rich and your father is the minister of defense. Bandar," said the envious pilot, "you've got it made."

"Well," replied Bandar, "if your grandfather had gotten off his a— and conquered this kingdom, you'd be where I am."

Where Bandar bin Sultan, grandson of a king, son-in-law of a king. nephew of a king. is today tells a lot about Arab world politics. At 34, he is Saudi Arabia's ambassador to Washington, the first member of the royal family to hold that position. He is also the personal representative of his uncle, King Fahd, to the White House.

Bandar, who is currently in the Mideast with the Saudi diplomats trying to sell the Saudi peace plan for Lebanon, has told friends he has been "very discouraged" about the U.S. role there.

Few ambassadors are so much at the center of events or carry so much clout. When Bandar arrived last fall, he was already regarded as a major figure by the Arab diplomatic community. All the Arab ambassadors greeted him at the airport.

As the fighting in Lebanon increased, Bandar became deeply involved as an on-the-scene negotiator. Even so, he was taken by surprise by President Ronald Reagan's announcement of the Marine pullback.

The next night, at a dinner in his honor given by Ambassador Abdallah Bouhabib of Lebanon, Bandar, looking at Mr. Reagan's national security adviser, Robert C. McFarlane, said Saudi Arabia was committed to standing by all factions of the Lebanese people.

Bandar had been ambassador barely two months when he met privately with Mr. Reagan, an honor not yet accorded the Israeli ambassador, who has been in Washington since June.

Despite the splendor of the formal setting in the Virginia mansion the Saudi government owns. Bandar is the country gentleman in English tweed and gray flannel. After going to school in Saudi Arabia "like everybody else," he attended the British Royal Air Force college of Cranwell and acquired tastes for expensive sports cars, jets and the protection provided by Welsh bodyguards.

"My family has been in the leadership of the kingdom for 250 years," Bandar says. "Twice only within those 250 years we were not, and those two times were because there was a foreign invasion of the kingdom — the Turks once, and. 150 years ago. the Egyptians. And who gets the foreigners out of the country? A Saudi prince."

Bandar's grandfather, Abdul Aziz ibn Saud, founder of the modern Saudi state, died in 1953 and was succeeded by his high-living, free-spending eldest son, Saud, until the royal family deposed him.

"In your country you are so proud that you almost impeached a president, and you use that to justify or prove that the system worked. Well, we impeached King Saud . . . because you cannot go outside the law of the land."

Abdul Aziz's second son was the erudite and ascetic Faisal, who as foreign minister and later prime minister was regarded as the Arab world's quintessential tactician. He became king in 1964. In 1975 he was assassinated, and succeeded by Khalid and then Fahd. Bandar's father, Prince Sultan, is in line to be the next crown prince.

Bandar's wife. Princess Haifa, is his first cousin, Faisal's daughter. Friends say the marriage was not arranged, but it brought the dominant and influential Sudeiri wing of the Saudi royal family together with the other most important wing, Faisal's.

"I'm very happily married," said Bandar, laughing; by now he is used to being asked why he only has one wife. "It's more than I can handle anyway." He is the seventh of 22 children of Prince Sultan, who has had several wives.

Bandar and Haifa have four children, and his happiest moments, he says. are the weekends he spends with them. He is an avid skier, and in December, when his children were on holiday from the private schools they attend in Washington, he flew them in the private embassy jet to Colorado. They also ski in France, where all of King Faisal's children were born.

M.C. Valada for The Washington Post

Bandar: "I always had to prove that I could do it."

He said he saw himself as "a simple soldier" who has a duty to his country. "If I had the option, it would be lovely to sit in the background and be a classic Saudi, because Saudis are not sensational people." He draws inspiration from military figures. A friend says he watched the movie "Patton" over and over for relaxation during the battle over U.S. airborne warning and control system planes for Saudi Arabia.

Bandar spent 16 years in the Royal Saudi Air Force, moving up from cadet to lieutenant colonel. He left the service last summer after more than a year as defense and armed forces attaché at the embassy in Washington.

"I had to do almost everything — plus," he says of his air force career, "because I always had to prove that I could do it. I joined the air force because I get an instant feedback from the airplane. Aircraft don't give a damn if you're a prince or not. Either you know or you don't know. If you don't know, you're dead."

When asked whether one should address him as Prince Bandar or Ambassador Bandar, he says: "It doesn't bother me too much. I know who I am."

Bandar was a provocative figure in Mideast politics before he became ambassador. In 1978, when he was 29, the Saudi royal family sent him to lobby for about $3.5 billion in U.S. military hardware. Three years later, he played the same role in the campaign for the AWACS planes.

When he was named ambassador, he also became the Saudi representative in efforts to bring about a cease-fire in Lebanon.

"Believe me when I say the Syrians are not as bad as you think," Bandar said. "But definitely, the Israelis are not as good as you think. We're not lobbying you to be against Israel but to call a spade a spade, make the other side feel you're even-handed."

A State Department source said of Bandar: "You can take up a matter of business with him and if you want a rapid answer he can get it. It's a question of degree, because they can all get answers some of the time, but in Bandar you have an Arab ambassador in the Western sense of being a real diplomat."

Others say Bandar decided early on that the way to deal effectively with Americans was to Americanize himself. "He was a little more English in 1978," said one acquaintance.

Bandar completed an advanced U.S. Air Force academic program in Alabama and has a master's degree in international relations from Johns Hopkins University.

Some say he was de facto ambassador even before the AWACS fight. He had a decided advantage being a royal insider. At the his townhouse, which he still owns, he discreetly provided lunch and news leads to well-placed Washington journalists covering the AWACS story.

He also gives credit for the lobbying success of the Saudis to Menachem Begin, then Israeli prime minister. "Begin, of course, was our best ally in AWACS because every time he talked we won some more people," he said with a grin. "I'm sure he did not intend it that way, but he was my biggest trump card."

There were other reasons as well. "We got smarter. We allowed your TV and news media to come and look and report back. . . . People used to accuse us of being the emotional guys and say the Israelis were the cool pragmatists. But now you're seeing it the other way around."

Not yet a familiar figure at the parties on Washington's social circuit, Bandar says he does not like "mixing for the sake of mixing," or small talk.

One thing Bandar says he learned was that U.S. officials become wiser about the Middle East after they leave office. "I guess if I were a diplomat, I wouldn't say that, but it is the reality of politics."

The Associated Press

British newspapers Tuesday blossomed with stories and pictures of Prince Andrew's new girl friend, Katie Rabbet (above), 23, a London model, apparently his first steady date since his international romance with Kathleen (Koo) Stark.

PEOPLE

Festivities in Stockholm Planned for Ulanova

Galina S. Ulanova, 74, who retired as prima ballerina assoluta of the Bolshoi Ballet in 1962, will travel to Sweden this weekend for a round of festivities in her honor. On March 6, a sculpture of her dancing that the Soviet Ministry of Culture presented to Stockholm's national dance museum will be unveiled at a gala. Tass said Bolshoi Theater dancers would be featured in a ballet in honor of Ulanova showing "the mystique of a dance being born." Ulanova joined the Bolshoi in 1944.

□

Calvin Klein has been named outstanding American talent of 1983 in women's fashion design and Perry Ellis has won the award for men's fashion from the Council of Fashion Designers of America. Mary McFadden, president of the council, said the group named Georgio Armani and Issey Miyake the most influential designers outside the United States.

□

Mayor Edward Koch of New York is in Rome to visit its mayor and other Italian officials.